

# SOBHA

**Date: July 02, 2025**

To The Deputy Manager Department of Corporate Services, BSE Limited Floor 25, P.J Towers, Dalal Street, Mumbai – 400 001. <b>Scrip Code: 532784 &amp; 890205</b>	To The Manager National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400 051. <b>Scrip Code: SOBHA &amp; SOBHAPP</b>
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Dear Sir / Madam,

**Sub: Annual Report of the Company for the Financial Year 2024-25 under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").**

Pursuant to Regulation 34(1) of the Listing Regulations, enclosed herewith the Annual Report of the Company along with the Notice and the Explanatory Statement of the 30<sup>th</sup> Annual General Meeting scheduled to be held on Thursday, July 24, 2025, at 3:00 p.m. (IST) through Video Conference/Other Audio-Visual Means (VC/OAVM).

The Annual Report for the Financial Year 2024-25 is being sent through electronic mode to the Members and is also available on the website of the Company at [www.sobha.com](http://www.sobha.com)

Kindly take the aforesaid information on your record.

Thanking you.

Yours sincerely,

**FOR SOBHA LIMITED**

**Bijan Kumar Dash**  
**Company Secretary and Compliance Officer**  
**Membership No.: ACS17222**

**SOBHA LIMITED**



**SOBHA**

**ANNUAL REPORT**  
2025



The Waverly Club and Plaza, SOBHA Altus, Gurugram



From a single vision, steadfast and clear,  
A legacy forged, year after year.

Precision in purpose, bold in our stride,  
Three decades of passion, carried with pride.

In each foundation, in every line,  
Lies a standard, rare and fine.

Mastering craft, with discipline as guide,  
SOBHA builds on, where values abide.

Shaped by conviction, through hand and mind,  
Every space a testament, purposeful by design.

With every detail, our signature unveils,  
A journey of excellence, destined to prevail.



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### DISCLAIMER

In this Annual Report, some of the information disclosed may appear forward-looking in nature. This report and other statements—written and oral—that we periodically make contain forward-looking statements that set out anticipated results based on the management’s plans and assumptions. We have tried wherever possible to identify such statements by using words such as ‘anticipates’, ‘estimates’, ‘expects’, ‘projects’, ‘intends’, ‘plans’, ‘believes’, and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



# 30 *Years* of SOBHA

Mr. PNC Menon, a first-generation entrepreneur, is the Founder of SOBHA Group—a multinational real estate and construction conglomerate. Over a remarkable career spanning more than four decades, his vision and leadership have redefined the global real estate landscape.

In 1995, he established Sobha Limited in India, bringing the Group's passion for quality and detail to a growing market. By pioneering the backward integration model, he positioned SOBHA as India's most trusted real estate brand.

His contributions to industry and society have been recognised with several national and international honours, including the Golden Peacock Lifetime Achievement Award, the NDTV Lifetime Achievement Award, and the Pravasi Bharatiya Samman Puraskar presented by the President of India in 2009.

Alongside his business legacy, Mr. Menon is a committed philanthropist, supporting initiatives across India, the UAE and Oman and pledging a significant part of his wealth to social causes.

As SOBHA marks thirty years, we honour the values he instilled—belief, craft, passion, and uncompromising quality. These We remain the foundation of everything we build, and the benchmark we continue to uphold.



“Real passion has the power to transform perceptions, lifestyles, and skylines.”

A handwritten signature in black ink, appearing to be 'PNC Menon'.

Mr. PNC Menon  
Founder, SOBHA Group

# A Journey Of Excellence

## ○ 1995

Incorporated on  
7 August 1995

## ○ 1997

Launches first  
residential project,  
SOBHA Sapphire,  
Bengaluru; enters  
Coimbatore

## ○ 1998

Becomes the  
first Indian real  
estate company  
to obtain ISO 9001  
certification

## ○ 2000

Establishes SOBHA  
Glazing and Metal  
Works Division and  
SOBHA Interiors  
Division; completes first  
contractual project for  
Infosys, Bengaluru

## ○ 2005

SOBHA Concrete  
Products Division  
commences operations

## ○ 2006

Goes public with an IPO,  
oversubscribed by 126x;  
establishes CSR arm, Sri  
Kurumba Educational and  
Charitable Trust

## ○ 2007

Enters Pune with SOBHA  
Carnation; establishes  
SOBHA Restoplus

## ○ 2008

Enters Thrissur with Kerala's  
first township project,  
SOBHA City; establishes  
SOBHA Academy,  
Bengaluru

## ○ 2009

Achieves ISO certifications  
for environmental and  
safety standards; Mr. PNC  
Menon receives the 'Pravasi  
Bharatiya Samman Puraskar'

## ○ 2011

Expands to Delhi-NCR  
and Mysuru

## ○ 2012

Enters Chennai; recognised  
as 'Most Reliable Builder' by  
CNBC Awaaz

## ○ 2013

Mr. PNC Menon receives  
the 'Lifetime Achievement  
Award' from NDTV  
Property Awards

○ **2014**

Expands to Kozhikode; Mr. Ravi PNC Menon receives the 'EY Entrepreneur of the Year' Award

○ **2015**

Completes first commercial project, SOBHA City Mall, Thrissur; launches new housing segment, SOBHA Dream Series

○ **2016**

Expands to Kochi with the launch of Marina One; inaugurates the first-ever SOBHA Museum in Gurugram

○ **2017**

SOBHA City Mall, Thrissur, is recognised as the 'Mall of the Year' by NDTV Property Awards

○ **2018**

Recognised as 'Top National Realty Brand' across asset classes in India by Track2Realty's BrandXReport 2017-18

○ **2019**

Enters Gujarat with the launch of SOBHA Dream Heights, GIFT City; ranks as India's 'Top National Realty Brand' for the fifth consecutive year by Track2Realty's BrandXReport 2018-19

○ **2020**

Features in the list of the '500 High-Growth Companies in the APAC Region' by Financial Times

○ **2021**

Named 'Best Developer of the Year' (Large Category) by CIA World

○ **2022**

Expands to Thiruvananthapuram; SOBHA City, Thrissur, recognised as India's First 'Net Water Positive (Platinum)' Operational Project

○ **2023**

Enters Hyderabad with SOBHA Waterfront

○ **2024**

Successfully raises Rs 20 billion via a rights issue

○ **2025**

Marks 30 years of excellence, innovation, and leadership in the real estate sector

# *Building* on a Legacy

For three decades, SOBHA has stood for more than excellence in real estate. It has represented a way of thinking—a belief that the highest standards are not goals, but fundamentals. That true luxury is the result of unwavering commitment, attention to detail, and purposeful design.

This belief began with our founder. It has shaped the way we build, the way we lead, and the values we uphold across every project and every decision. Today, that legacy continues—not by preserving the past, but by building upon it with clarity and discipline.

As SOBHA moves forward, the vision remains timeless. Rooted in principles. Driven by passion. Guided by a deep commitment to quality at every stage—from design to delivery.

The ideals that shaped our beginning continue to guide all that we pursue. Backward integration remains our strength, enabling complete control over every element of construction and craftsmanship. It is this relentless focus on precision, process, and product that defines who we are.

What lies ahead is a continuation of everything we stand for—strengthened by experience and driven by intent.



**“We build upon a legacy of belief—with  
passion, purpose, and excellence.”**

A handwritten signature in blue ink, appearing to read 'Ravi PNC Menon'. The signature is fluid and cursive.

Mr. Ravi PNC Menon  
Chairman, SOBHA Group

# Momentum Built on Demand

## Macro Tailwinds

India's rapid economic transformation – fuelled by rising incomes, urbanisation, and a youthful, skilled workforce – is laying the groundwork for a sustained housing up-cycle. Strong job creation and healthy wage growth further underpin consumer confidence and purchasing power.



### Fourth-Largest Economy

India will have a nominal GDP of \$4.2 trillion by 2025 (IMF WEO, October 2024)



### Rapid Urbanisation

From 31% in 2011 to over 43% by 2035 (UN World Urbanization Prospects, 2022)



### Rising Per-Capita Income

To increase from an estimated \$2,880 in FY 25 to \$5,000+ by 2032 (IMF, Trading Economics)



### Young, Skilled Workforce

>1 mn engineering and technical graduates entering the workforce annually (AICTE Annual Report, 2023)



## Demand Dynamics

Evolving buyer preferences—favouring ownership, branded developers, and premium offerings—combined with deepening credit markets are driving the organised sector’s rapid expansion. These dynamics underscore the strength of demand in both core and luxury segments.



### Affordability Ratio

Median home-price to median-income ratio has improved since FY 2015 (NHB Residex, 2023).



### Branded Homes Premium

Branded residential developers command 10–15% price premium (Knight Frank, 2024)



### Millennial Preference

70% of millennials now favour home ownership over renting (JLL, 2023)



### Organised Housing Growth

Projected to grow at a 9.2% CAGR between 2023 and 2028 (CRISIL Research, 2023)



# SOBHA - Delivering on Opportunity

143.65

mn sft completed

565

developments

224

real estate developments

25<sup>+</sup>

Acres Manufacturing units

7.21

mn sft annual delivery  
run rate

65.14

mn sft under  
development

27

cities and 14 states  
across India

25<sup>+</sup>

acre manufacturing  
facilities

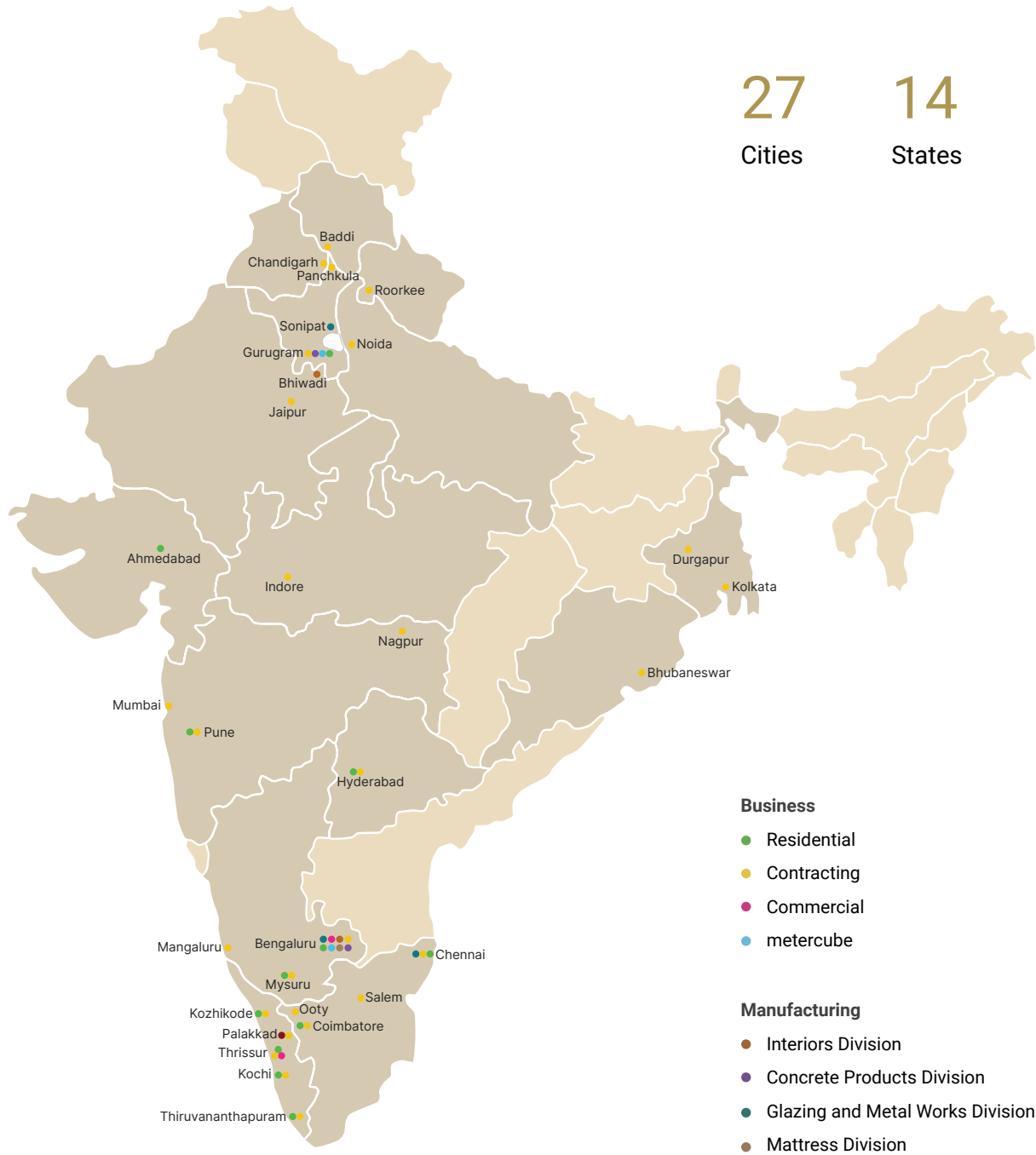
4,500<sup>+</sup>

professionals

11,400<sup>+</sup>

technicians

As of 31 March 2025



India map not to scale. For reference only. Presence as of 31 March, 2025

# Strengthening Our Financial Foundations



Marking three decades of uncompromising quality and self-reliant growth, Sobha entered FY 2024-25 with the same engineering-led ethos that has defined its journey since inception. This milestone year reinforced Sobha's reputation for precision, innovation, and stakeholder trust—principles that continue to guide every aspect of its business.

Sobha's financial performance once again reflected the strength of its fundamentals. Annual sales value reached ₹62.77 Bn, with Sobha's share of sales at ₹49.60 Bn, driven by a premium-first strategy that lifted average price realisation to ₹13,412 per sft. The company generated historically highest operational cash inflows of ₹61.84 Bn, enabling the complete elimination of net debt and closing the year with a net cash position of ₹6.30 Bn.

Supported by a highly successful ₹19.99 Bn rights issue, oversubscribed 1.39 times, Sobha further fortified its equity base and ensured ample liquidity for future investments.

On the operational front, Sobha continued to elevate its project-execution standards. Eight new developments introduced 8.76 Mn sft of saleable area, including marquee luxury launches such as SOBHA Aranya and SOBHA Altus in Gurugram; SOBHA Ayana and the Town Park cluster—Madison Heights and Hamptons—in Bengaluru; and signature plotted communities in Chennai and Coimbatore. Contribution from new launches was led by SOBHA Aranya (16.4% of sales value) and SOBHA Ayana (10.9%), underscoring strong market acceptance. Handovers amounted to 4.64 Mn sft across 2,797 homes,



**₹ 61.84 Bn**  
Historically highest  
operational cash inflows  
in FY 25

**Zero** net debt  
Net cash position of  
₹ 6.30 Bn in FY 25

**₹ 19.99 Bn**  
Rights Issue proceeds  
(oversubscribed 1.39 x)

**₹ 13,412** per sft  
Average price realisation  
(+ 22.8 % YoY)

**8.76 Mn sft**  
New-launch area  
(+ 24.9 % YoY)

**4.64 Mn sft**  
Handovers  
(+ 44.0 % YoY)

**₹ 55.18 Bn**  
Real-estate collections  
(+ 9.6 % YoY)

**19.27 Mn sft**  
Development pipeline  
across nine cities

while completions totalled 4.54 Mn sft, sustaining a delivery run-rate of 7.21 Mn sft. Real-estate collections of ₹55.18 Bn reaffirmed the company's self-funding business model.

Geographically, rapid growth in Gurgaon and Pune—up 50.5% and 93.1% respectively—complemented robust performance in Tamil Nadu and Hyderabad. Bengaluru remained the largest market in absolute terms, contributing ₹36,425 Mn, even as Kerala and GIFT City saw a measured phasing of new releases.

The company's engineering-led, vertically integrated model extends beyond residential development into contracting, manufacturing, and commercial leasing. In FY 25, the contracting and manufacturing vertical

recorded revenues of ₹6.58 Bn across six major projects, while the commercial real-estate arm achieved a leasable portfolio of 1.25 Mn sft, generating net operating income of ₹529 Mn. This diversified earnings base fortifies Sobha's resilience, underpins margin strength, and ensures seamless quality control.

Looking forward, Sobha's 30-year legacy is carried into a promising pipeline of 19.27 Mn sft across nine cities, encompassing 18 residential and two commercial projects from concept through approvals. With a total portfolio of 143.65 Mn sft completed and 65.14 Mn sft under development, and new offices in Mumbai and Noida extending Sobha's reach, the company is uniquely positioned to harness emerging urban demand and deliver sustainable value in FY 2025-26 and beyond.

# Integrated Business Model

## Real Estate

Sobha is a recognised leader in Indian real estate, with a demonstrated ability to deliver high-quality developments at scale. As of 31 March 2025, the company has completed 224 developments, amounting to 84.31 million square feet of developable area. A further 61.28 million square feet is currently under development.

Present across 12 cities, the real estate portfolio spans a broad mix of residential formats—including apartments, villas, row houses, townships, and plotted developments—designed to address evolving urban customer preferences and lifestyles. In addition to residential spaces, Sobha is actively expanding its footprint in commercial and retail developments, with

several of its high-visibility projects already operational.

The business continues to be driven by a fully integrated delivery model, supported by in-house teams across design, engineering, and execution. This approach allows for strong control over timelines, quality, and cost efficiencies.

Looking ahead, Sobha is focused on entering new geographies to broaden its presence and unlock fresh growth opportunities—beginning with Mumbai and Greater Noida in 2025. With each project, the company remains committed to creating well-planned, future-ready environments that respond to urban aspirations.





Infosys Software Development Block, Mysuru

## Contracting

Sobha's Contractual business delivers fully integrated project solutions across a wide range of commercial and institutional developments. Operating across 27 cities in India, the contracting division offers comprehensive services covering design, civil and structural works, MEP, interior fit-outs, aluminium and glazing systems, and landscaping.

This in-house, end-to-end model ensures greater coordination, consistent quality, and efficiency across every phase of delivery. The division has earned the trust of leading corporates, including Infosys, Dell, LuLu, Biocon, Taj, ITC, and others. Marquee projects across sectors such as technology, healthcare, research, hospitality, and education have been delivered as per the highest quality standards.

Recent accomplishments include a multi-tower university residence, a large-scale dining facility, and an iconic convention centre featuring advanced thin-shell concrete construction. These projects reflect the division's ability to manage complex programmes with precision and scale.

As of 31 March 2025, Sobha's Contractual business has completed 341 developments, covering 59.34 million square feet, with an additional 3.86 million square feet under execution.

Through disciplined project execution and close client collaboration, the division continues to deliver robust, fit-for-purpose solutions tailored to institutional and commercial needs.

# Robust In-house Capabilities



## Glazing and Metal Works

Sobha's Glazing and Metal Works operations form a key part of its integrated manufacturing ecosystem, delivering complex architectural and structural components for projects across India. The flagship facility in Bengaluru spans 7.9 acres and is designed with capacity for future expansion. It is supported by two additional units in Chennai and Sonipat, together enhancing production efficiency, scalability, and geographic coverage.

Equipped with advanced fabrication technologies—including profile cutting, welding, milling, and composite panel processing—the division manufactures a wide array of precision components for high-performance applications. These include aluminium doors and windows, structural glazing systems, stainless steel finishes, and pre-engineered

building modules tailored for commercial and institutional use.

Manufacturing processes are governed by strict quality assurance protocols, with every product tested for performance, durability, and compliance with international benchmarks. In line with Sobha's sustainability commitments, the Bengaluru facility integrates a 225-kW rooftop solar installation, contributing to cleaner, renewable energy use and operational efficiency.

With a skilled workforce and a focus on technical excellence, the division plays a pivotal role in delivering custom-engineered solutions for the built environment, ensuring functionality, reliability, and long-term value.

## Concrete Products

Sobha's Concrete Products Division plays a strategic role in delivering high-performance, ready-to-install solutions for infrastructure and landscaping applications. Located in Bengaluru and covering approximately eight acres, the facility is equipped with advanced automation systems and production lines sourced from leading manufacturers in Germany and the United Kingdom. A second facility in Gurugram has further strengthened manufacturing capacity and regional service coverage.

These facilities are fully integrated with Sobha's supply chain, enabling seamless coordination, enhanced efficiency, and on-time delivery. Designed for efficiency and scale, the division produces a wide

variety of concrete blocks, kerbs, pavers, drainage channels, and paving elements. All inputs are sourced from verified suppliers and tested rigorously in an in-house laboratory to ensure consistency, durability, and compliance with international quality standards.

With an annual capacity of nearly 16 million blocks or 8 million units of landscaping products, the division supports a range of commercial, residential, and institutional projects. Every product is engineered to offer dimensional stability, ease of installation, and long service life. Through continuous innovation and disciplined quality control, Sobha's concrete products contribute to reliable and aesthetically consistent built environments.



# Built on Expertise

## Interiors

Sobha Interiors is a key vertical within the organisation's self-reliant delivery model, offering fully integrated interior solutions for large-scale residential, commercial, and institutional developments.

Established in 2000, the division operates out of a highly advanced woodworking facility in Bengaluru, spanning over 375,000 square feet. A second facility in Bhiwadi, Rajasthan, supports regional demand and production capacity.

Combining design, engineering, and manufacturing expertise, Sobha Interiors delivers bespoke joinery and fit-out solutions tailored to each project. The division's product range includes doors, door frames, modular

kitchens, wardrobes, customised furniture, panelling, partitions, and upholstered joinery elements.

Production is supported by computerised kiln-drying systems, a robotised polishing line, and a stringent multi-stage quality control framework. Materials are carefully sourced from certified vendors, with particular emphasis on sustainability. The majority of the wood used is sourced from suppliers compliant with PEFC standards, ensuring responsible forest management and full traceability.

Sobha Interiors continues to set a high benchmark in precision manufacturing and interior execution.





## Precast

Sobha's Precast Division represents a significant advancement in construction methodology, enabling faster, safer, and more controlled project execution. Established in 2015 to support the development of SOBHA Dream Acres in Bengaluru, the plant integrates German-engineered systems to manufacture modular structural components with a high degree of precision. These components include columns, beams, slabs, staircases, and façade panels, all designed to interlock seamlessly for maximum construction efficiency and durability.

Designed to meet the needs of high-density developments, the facility allows for substantial time savings, with construction timelines reduced by up to 20% through mechanised assembly—without

compromising on build integrity or finish quality. This method also enhances site safety, reduces material wastage, and ensures uniformity across structural elements.

Since its inception, the precast system has been deployed across several large-scale projects, including SOBHA Sentosa and other key developments within Bengaluru. It has also been applied to ancillary infrastructure and support works, broadening its impact across Sobha's portfolio.

With its focus on speed, quality, and consistency, the precast plant reinforces Sobha's integrated model by bringing industrial rigour to construction, allowing for timely, efficient delivery across evolving project typologies.

# Enhancing Living Experiences



## metercube

metercube represents Sobha's strategic foray into curated home interiors, offering a seamless blend of design, quality, and functionality. Developed to meet the lifestyle needs of today's homeowners, it delivers end-to-end interior solutions grounded in contemporary global design sensibilities and built for everyday use with attention to detail across every material, finish, and functional element.

With a catalogue of over 2,000 crafted products, metercube spans categories such as furniture, lighting, kitchen accessories, soft furnishings, and indoor-outdoor seating. Each item is selected to enhance everyday living while maintaining long-lasting aesthetic appeal through form, finish, and material choice. Customers can choose from individual pieces or opt for complete interior packages—ranging from

partially furnished installations to fully outfitted living spaces that deliver visual consistency and spatial balance.

This integrated offering simplifies the home furnishing process, ensuring visual harmony and spatial efficiency across diverse home layouts. Whether furnishing a single room or an entire home, metercube provides adaptable solutions that support a range of styles and budgets.

The flagship store at 1 SOBHA Mall in Bengaluru allows customers to engage with the full range in person—exploring material palettes, finishes, and layouts in a hands-on setting. metercube continues to evolve as a comprehensive destination for elegant, functional, and well-resolved home interiors.

## Restoplus

Restoplus, Sobha's mattress division, has been delivering high-quality sleep solutions since its establishment in 2007. Designed for comfort, durability, and performance, the product range spans over 36 distinct combinations, accommodating a variety of sleep preferences. These include pocketed, bonnell, foam, coir, re-bonded, rolled, and pure latex options—each engineered for a specific functional requirement and user comfort.

Mattresses are manufactured using premium materials sourced from established suppliers, with pricing ranging from ₹10,000 to ₹4,00,000 for fully customised specifications. Every product passes through a comprehensive quality protocol, starting

from raw material testing to final inspection.

The division also operates a dedicated Sleep Laboratory, where both materials and finished mattresses undergo periodic testing to maintain and enhance quality standards. The manufacturing facility integrates advanced processes and precision European equipment to ensure consistent output and performance.

With a strong focus on technical excellence, rigorous quality control, and customer-centric design, Restoplus continues to support Sobha's broader commitment to creating reliable, lifestyle-enhancing solutions across every vertical.



# Empowering People Excellence



At SOBHA, people are central to how the organisation builds, grows, and leads. As of 31 March 2025, the company employed over 4,500 full-time personnel and 11,400 skilled technicians across locations. Human-resource practices follow a meritocratic approach that emphasises qualification, performance, and potential. Recruitment, evaluation, and rewards are governed by a transparent framework that enables seamless career progression aligned with organisational goals and sustains the expertise required for project execution.

To strengthen this foundation, SOBHA has made long-term investments in capability development through Sobha Academy—established in 2008 and uniquely positioned as the only institution of its kind by a real estate developer in India. The Academy reflects a belief that continuous learning is central to performance excellence. In FY 2024–25 alone, 14,181 individuals

were trained, including SOBHA employees, technicians, and external technical personnel not on staff, through structured learning modules covering technical, behavioural and leadership competencies. In recognition of its impact, Sobha Academy was conferred the CIDC Vishwakarma Award 2024 for “Construction Education Excellence.”

Meaningful progress is driven from within. To systematically harness this potential, SOBHA conducts Genesis—an enterprise-wide idea mobilisation programme that invites employees from all levels to submit actionable innovations. Since its inception in 2010, Genesis has received 1,582 entries, of which 550 have been awarded and implemented. These ideas span design innovation, process efficiency, construction methodology and on-site operations—demonstrating active workforce engagement in improving outcomes

across functions and geographies. Genesis has become a structured forum that institutionalises problem-solving and encourages cross-functional thinking, continuous collaboration, and long-term innovation culture.

Employee well-being and engagement remain core priorities. Yoga sessions, regular health check-ups, wellness seminars and employee-assistance programmes support holistic wellness. Sports tournaments and annual day celebrations foster unity and inclusivity, while regional and unit-level initiatives strengthen team cohesion. These platforms help nurture a supportive and high-performance culture.

As SOBHA marks 30 years, the continuity of its people remains a key strength: over 300 employees have completed 15 years with the organisation—testament to a culture of trust, loyalty, and shared growth.

The commitment extends beyond employees to the construction workforce. Secure, well-equipped worker colonies include accommodation, sanitation infrastructure, nutritious meals, and medical camps—ensuring dignity and well-being at scale. By enabling stability at work and support at home, every individual across the ecosystem is empowered to contribute with confidence—strengthening the foundation for long-term performance and purposeful growth.



# Sustainable Community Impact



SOBHA Icon

SOBHA's enduring commitment to social responsibility was set in motion even before the company's formal inception. In 1994, the Sri Kurumba Educational and Charitable Trust was established, signalling a deep and enduring commitment to the upliftment of underprivileged communities—driven by the “joy of giving.” Over the decades, this determined beginning has evolved into a comprehensive, high-impact initiative spanning education, healthcare, housing, women's empowerment, and environmental stewardship across the Kizhakkencherry, Vadakkencherry and Kannambra Panchayats in Kerala. What started as a personal calling continues today as a purposeful and far-reaching movement, built on sincerity, consistency, and care.

At the heart of the social model lies education—a fundamental right and a powerful tool for transformation. The SOBHA Academy provides CBSE education to 1,170

children from Pre-KG to Class 12, entirely free of cost. Every child receives meals, transportation, uniforms, books, and healthcare, removing the barriers that often hinder rural learning. Each year, 90 new Pre-KG girls are selected through an open draw—symbolising trust in the potential of young minds regardless of background.

In parallel, SOBHA ICON guides students from Classes 8 to 12—and beyond—towards academic success. Designed as a three-tier learning support system, ICON nurtures ambition and resilience through its Academic Advancement, Higher Secondary and Undergraduate Mentoring programmes. In addition to academic learning, students participate in personal development programmes and gain exposure to practical life experiences that build confidence and broaden perspective. In FY 2024–25, 211 students were enrolled across all segments, receiving personalised mentoring

and sustained support. All students secured college admissions, with 51 out of 56 Class 12 learners scoring above 95 per cent.

Health remains a critical pillar of community interventions. In FY 2024–25, SOBHA Health Care reached 33,451 individuals through a comprehensive range of services. These include outpatient care, dental treatment, vision support, physiotherapy, and psychological counselling—delivered through a hospital-grade facility. This represents a more than 70 per cent increase over the previous year’s total of 19,178 patients. In addition, several thousand more were supported through outreach, including medical camps and home-care visits. For many, it remains the only consistent source of medical attention—delivered with competence, continuity, and compassion.

The “1,000 Families, 1,000 Homes” initiative aims to provide secure housing to 1,000 families by 2030. As of March 2025, 230 permanent homes have been handed over in Kizhakkencherry Panchayat. Land has also been allotted to families without ownership, with 13 such families included in the latest phase. Each home lays the foundation for enduring change—shaping the lives of families today and for generations that follow.

Women’s empowerment remains a key focus, with support extended to 50 widowed mothers through monthly financial assistance, housing, employment, and education for their children. Through community-conducted social weddings, 697 couples have been supported to begin their lives without the expectation of dowry. The Feed A Stomach Today (FAST) programme addresses nutritional security by delivering daily meals to 64 elderly individuals and has served over 77,000 meals across communities and schools.

Sustainability is embedded across all CSR campuses through rainwater harvesting, solar energy, organic cultivation, plastic-free zones, and the planting of over 3,000 native trees and herbs. SOBHA Hermitage, a residence for the elderly, operates on eco-conscious systems while offering medical care and community living with dignity.

The journey continues with the extension of The SOBHA Academy to Bengaluru, the scaling of ICON across Kerala, and the development of SOBHAGraam—a model village aligned with the Sustainable Development Goals. These initiatives build on the progress made since 1994, aiming to deepen impact and create a model of development that is both inclusive and enduring.



1000 Homes



No-Dowry Social Wedding Programme

# Awards and Recognitions



## Lifetime Achievement Award – Mr. PNC Menon

The Economic Times Real Estate Awards 2025

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## Corporate

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### Outstanding Growth in Indian Real Estate

Grohe Hurun India Awards 2024



### Real Estate Developer of the Year – Residential

Times Real Estate Conclave & Awards '25



### Construction Education Excellence – SOBHA Academy

CIDC Vishwakarma Award 2024



### Platinum Award for STOREYS – Consumer Magazine

2024 MarCom Awards (AMCP, USA)



### Platinum Award for Innerve – Employee Publication

2024 MarCom Awards (AMCP, USA)



### Gold Award for Annual Report – Annual Report (Corporate)

2024 MarCom Awards (AMCP, USA)



### Best House Journal (English) – Innerve

PRSI National Awards 2024



### Special Prestige Publication – Storeys (II)

PRSI National Awards 2024

## Corporate Social Responsibility



**Golden Peacock Award – Corporate Social Responsibility (National)**

Golden Peacock Award 2024



**Best Child & Women Development Initiatives of the Year – SOBHA Limited (CSR)**

Global CSR & ESG AWARDS 2024



**Best CSR Project Award For Social Inclusion at KMA Green Palms Sustainability Awards 2025**

Kerala Management Association (KMA)

## Projects



**Best Residential Project of the Year – SOBHA HRC Pristine**

BAM Awards 2024



**Ultra Luxury-Lifestyle Project of the Year – SOBHA Atlantis**

16<sup>th</sup> Realty+ Excellence Awards 2024 (South)

## Safety



**New Civil Construction Projects (Winner) – SOBHA Marina One, Kochi**

National Safety Council Awards '25 (Kerala Chapter)



**Best Safety Officer – Construction Industry (Winner) – Santhosh T, SOBHA Marina One, Kochi**

National Safety Council Awards '25 (Kerala Chapter)



**Civil Constructions (Region: Thiruvananthapuram) – SOBHA Meadows (III)**

National Safety Council Awards '25 (Kerala Chapter)



**Civil Constructions (Region: Kochi) – SOBHA Atlantis (III)**

National Safety Council Awards '25 (Kerala Chapter)



**Civil Constructions (Region: Thrissur) – SOBHA Metropolis (III)**

National Safety Council Awards '25 (Kerala Chapter)

# Chairman's Message



*Dear shareholders and  
friends of SOBHA,*

As we commemorate 30 Years of Passion at Work, we reflect on decades of precision, quality and trust that have underpinned SOBHA's growth. Our heritage of meticulous delivery has set an enduring standard. Through this consistency, SOBHA has come to define the experience of luxury, craftsmanship, and precision. This ethos has helped us drive sustained performance, navigate market shifts and build lasting relationships.

India's rise as one of the world's fastest-growing major economies has created the environment in which SOBHA has steadily grown. Structural reforms, rapid urbanisation, and policy continuity have fuelled a housing up-cycle that we have met with disciplined execution. This positions us to contribute meaningfully as India moves toward becoming the world's third-largest economy by 2030. Our process-driven systems ensure we are equipped to meet this demand. Our backward-integration approach, refined over 30 years, delivers consistency across excellence, cost control and timeliness.

In FY25, we launched eight projects totalling 8.76 million sq ft and maintained a delivery run-rate of 7.21 million sq ft of developable area. Timely handovers enabled accelerated collections, resulting in the highest-ever operating cash inflow of ₹61.84 Bn. This empowers our strategic investments and upcoming launches.

With this financial strength in place, our commitment to fulfilling homebuyer aspirations remains unwavering. In FY25, homes priced ₹3 crore and above accounted for 45% of our sales value. This demand spans both established and emerging markets, with our ₹3–5 crore offerings in Kochi, GIFT City, Pune, Hyderabad and Bengaluru receiving strong off-take. The ultra-premium ₹5 crore-plus category alone contributed 29% of our sales mix. Average price realisation rose 22.8% to ₹13,412 per sq ft.

These accomplishments—and the confidence they inspire—set the stage for a disciplined year of reflection and progress. Our focus on process-driven systems, innovation and customer-centricity has been the bedrock of our journey. These pillars have led us to expand our horizons, set new records and draw inspiration from our achievements. We chose

a demanding path, fully aware of its challenges. It is this unwavering commitment to uncompromising standards that led SOBHA to become the first Indian real estate company to earn ISO 9001 certification in 1998.

From delivering India's largest monolithic structure—the Global Education Center (GEC II) at Infosys, Mysuru in 2009—to executing the world's thinnest shell structure at the JSVK Convention Centre in Bengaluru in 2024, we have continually redefined the frontiers of timeless construction. In 2015, we installed India's largest on-site precast plant at Sobha Dream Acres, accelerating construction by 20%—a testament to our innovation-first approach.

SOBHA Museum—India's first experience centre of its kind—captures our end-to-end standards journey and reflects the transparency of our processes, reinforcing the confidence customers place in us. SOBHA Academy—India's only in-house training centre within the real estate industry—builds deep expertise to uphold our exacting standards.

Our backward-integration model is not merely a Harvard case study; it is the foundation of who we are and what propels us. Our business framework—with in-house manufacturing units, a complete design-to-delivery format, 1,456 compliance checkpoints and detailed protocols—comes with its own challenges. At times, unforeseen global and economic forces have tested even the most rigorous operations. Yet our unwavering adherence to this integrated approach and no-shortcuts-to-quality ethos has ensured we continue to deliver with consistency and distinction.

Beyond our business achievements, SOBHA's foundational purpose compels us to uplift the communities we serve. Guided by the 'Joy of Giving',

our CSR arm educated over 1,170 underprivileged children and delivered free healthcare to more than 33,450 individuals in the past year. The "1,000 Families, 1,000 Homes" initiative, launched in 2022, has already handed over 230 homes, free of cost, to deserving families. This commitment complements our financial discipline, underscoring a balanced pursuit of profit and purpose.

SOBHA's public listing in 2006—through an IPO oversubscribed 126×—marked a pivotal moment in our journey. In FY 2025, we raised ₹20 billion through a rights issue that once again reflected strong market trust. We thank our shareholders for their unwavering support in making this a success. Today, we stand as a zero net-debt enterprise. The capital strength, supported by fresh equity totalling ₹45.6 billion, positions us to pursue future growth opportunities. Our values, beliefs, and consistent practice of these principles ensure we continue to earn customer and investor confidence.

Today, SOBHA stands as India's most trusted and admired real estate brand. As we build on this foundation, FY26 will see us deepen our presence in core markets while strategically entering new ones, including Mumbai and Greater Noida. As we look to the years ahead, our drive to innovate and excel remains steadfast. We thank our shareholders, customers, and partners for their confidence; together, we carry our passion forward into the decades to come.



**Mr. Ravi PNC Menon**  
Chairman, SOBHA Group

3

QUALITY. CRAFT. PASSION. LUXURY. EXQUISITE. UNCOMPROMISING. LEGACY. SIGNATURE. SOPHISTICATION. OPULENCE. GRANDEUR. PERFECTION. ELEGANCE. ICONIC. DISTINGUISHED. PRESTIGE. MASTERY. EXCELLENCE. HERITAGE. INNOVATION. REFINEMENT. ARTISAN. FLAWLESS. BESPOKE. ELITE. HARMONY. FINESSE. AUTHENTICITY. IMPECCABLE. TIMELESS.

*Years* OF  
**PASSION**

# *An* Enduring Legacy

A tradition of craft, carried through generations.

Rooted in belief. Refined through discipline. Sustained by purpose.

A living testament to the values that define every SOBHA achievement.

Over the past thirty years, we have not simply built—we have set enduring standards. Our journey has been shaped by a deep commitment to quality, by mastery of process, and by the conviction that perfection is a pursuit, not a destination.

To mark this milestone, we unveil a commemorative emblem that speaks not in symbols, but in words—thirty defining terms that form the SOBHA Lexicon. A vocabulary forged through foresight, precision, and the relentless pursuit of excellence.

These words are not chosen—they are earned.

Each one reflects how we think, how we build, and what we expect.

Together, they articulate the essence of a brand that believes in doing more than delivering—it believes in crafting, refining, elevating.

On the pages that follow, each word stands not as an aspiration, but as an expectation.

*An* Enduring Legacy

# ELEGANCE

Refined aesthetics, restrained detail, and enduring form define SOBHA's approach to timeless design and environments.



SOBHA's driving force—expressed through an unrelenting  
commitment to perfection, craftsmanship, and purpose across every  
expression of its craft.

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# PASSION

*An* Enduring Legacy



*Infosys Atrium, GEC II, Mysuru*

# REFINEMENT

SOBHA applies exacting detail and disciplined craftsmanship to achieve clarity, control, and lasting quality in every project.

# ARTISAN

SOBHA brings an artisan's precision to scale—combining fine materials and detailing with unmatched consistency.



*SOBHA Interiors Workshop*

# EXQUISITE

SOBHA elevates form, finish, and proportion—achieving a level of distinction that is both rare and precise.

*An* Enduring Legacy

# FINESSE

SOBHA applies precision and control to deliver seamless execution, nuanced detailing, and flawless finish—at every scale.



SOBHA embodies a synthesis of scale, precision, and distinction—crafted for those who expect nothing less than the exceptional.



*SOBHA Adamus, Bengaluru*

ELITE

*An* Enduring Legacy

# QUALITY

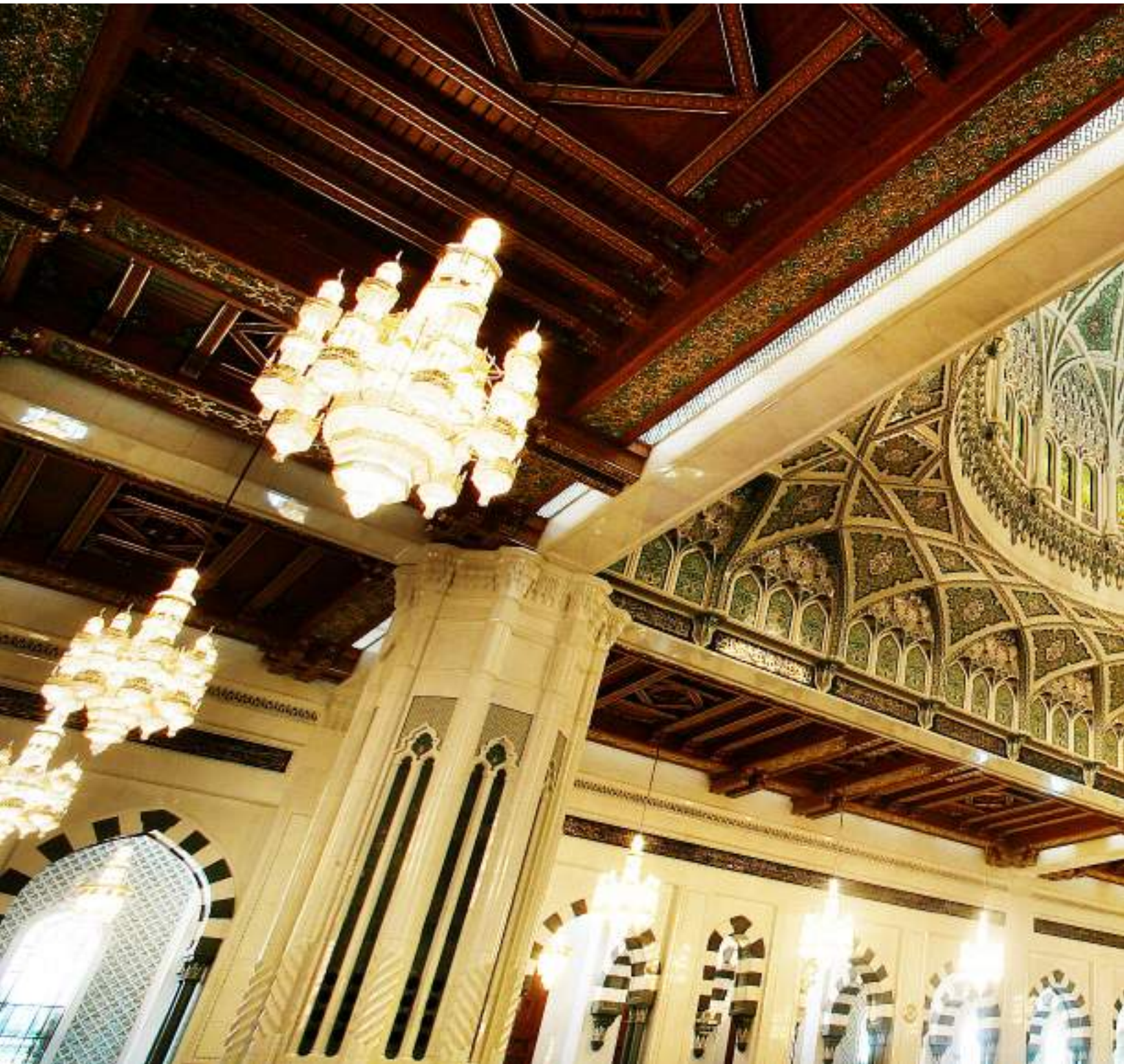
SOBHA defines its own benchmark of quality—driven by in-house excellence in craftsmanship, engineering, and execution that holds true in every detail.

# HERITAGE

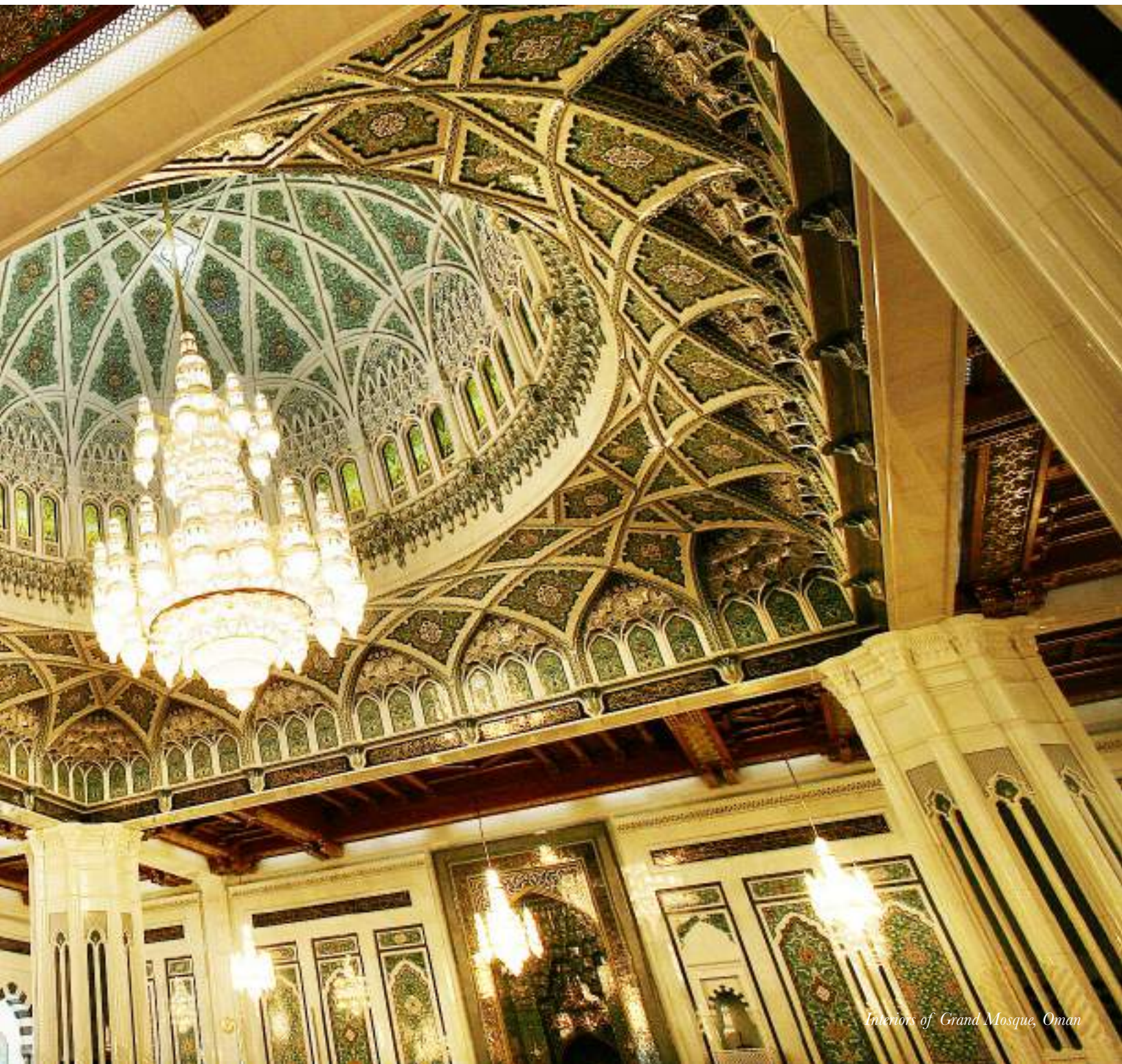
SOBHA's legacy of crafting palaces and mosques—symbols of timeless artistry—continues to inspire a global standard of enduring craftsmanship.

*An* Enduring Legacy

# OPULENCE



SOBHA expresses richness through scale, detail, and cultural depth—shaping spaces of lasting presence and architectural richness.



*An* Enduring Legacy



# LEGACY

A tradition of craft through generations, celebrating the vision of Mr. PNC Menon, Founder, SOBHA Group—to transform the way quality is perceived in real estate.

# TIMELESS

SOBHA builds with principles that transcend trend—  
where proportion, precision, and purpose ensure relevance for generations.



## BESPOKE

SOBHA achieves deep customisation across interiors, structure, and systems—delivering tailored excellence for marquee brands and specialised projects.

# An Enduring Legacy



## CRAFT

SOBHA carries forward a tradition of detail, discipline, and artistry through its Interiors Division—one of India's largest woodworking facilities for residential and hospitality excellence.

## INNOVATION

The SOBHA Museum and in-house systems reflect a culture of advancement—from precast technologies to immersive customer experience.



# LUXURY

Design discipline, material integrity, and a quiet pursuit of the extraordinary define SOBHA's approach to built environments of rare distinction.

*An* Enduring Legacy



*SOBHA Glazing and Metal Works*

# DISTINCTION

SOBHA's fully backward-integrated model—spanning concrete, interiors, and glazing—is globally unique, and has been featured as a Harvard case study.



*SOBHA Interiors*



*SOBHA Concrete Products*

*An* Enduring Legacy

# MASTERY

SOBHA Academy—India's only in-house training centre by a real estate developer—builds deep expertise to uphold the highest standards of execution.



## FLAWLESS

SOBHA's in-house research and development and material-testing lab upholds global benchmarks—ensuring every element is delivered to the most exacting standards.

## ICONIC

SOBHA's engineering of the JSVK Convention Center in Bengaluru—the world's largest thin-shell RC structure—stands as a global benchmark.



*Infosys Campus, Bengaluru*

# SOPHISTICATION

SOBHA combines advanced engineering with refined aesthetics to deliver intelligent environments shaped by design clarity and technical rigour.

*An* Enduring Legacy



# SIGNATURE

SOBHA's Museum—India's first-of-its-kind experience centre—captures the organisation's end-to-end quality journey and stands as a testament to its signature process.

# UNCOMPROMISING

SOBHA's vision to transform the way people perceive quality led to it becoming the first Indian real estate company to earn ISO 9001 certification.



## EXCELLENCE

SOBHA's commitment to responsible leadership is reflected in multiple CSR honours, including the Golden Peacock Award (2024) and the CREDAI CSR Award.

## AUTHENTICITY

## PRESTIGE

SOBHA's legacy of premium developments and industry leadership has earned it enduring admiration—underscored by an IPO oversubscribed 126 times.

SOBHA's recognition for ethical operations and transparent practices affirms its commitment to integrity at every level.

*An* Enduring Legacy

# HARMONY

SOBHA's landscape philosophy brings nature, design, and utility into seamless balance—exemplified by India's first Net Water Positive (Platinum) Rated project at SOBHA City, Thrissur.



# IMPECCABLE

SOBHA's 1456 quality checkpoints across 72 critical activities define a construction methodology that delivers without deviation from standard or detail.

# PERFECTION

SOBHA's Technology Manual's 28-step protocol embodies attention to detail, precision, and exacting standards.



*An* Enduring Legacy

# GRANDEUR



SOBHA's execution of the Infosys Global Education Center—India's largest monolithic structure—exemplifies architectural scale and classical splendour.



# Board of Directors



Sitting from Left to Right:

**MS. SRIVATHSALA K N**

Independent Director

**MR. RAVI PNC MENON**

Chairman

**MR. RAMAN MANGALORKAR**

Independent Director

Standing from Left to Right:

**MR. JAGADISH NANGINENI**

Managing Director

**MR. GOPAL BHIMRAO HOSUR**

Independent Director

**MR. SUBBA RAO AMARTHALURU**

Independent Director

**MR. NISANTH M.N**

Deputy Managing Director

**MR. RAVI PNC MENON**

**Chairman**

Mr. Ravi PNC Menon is the Non-Executive Non-Independent Director and Chairman of the Company. He holds a degree in Bachelor of Science in Civil Engineering from Purdue University, USA. He has over 21 years of experience in the field of construction and real estate development.

As a Non-Executive Chairman, he acts as a mentor and guides the Senior Management in the areas of business strategy, quality assurance, technology advancement, design and engineering, sales and marketing, product delivery, project execution, risk mitigation, process and information technology and customer satisfaction.

**MR. JAGADISH NANGINENI**

**Managing Director**

Mr. Jagadish Nangineni is the Managing Director of the Company. He has over 23 years of experience in the field of real estate, technology, consulting and has been associated with SOBHA since November 2009. He is entrusted with the overall responsibility of managing the affairs of the Company and achieving the targets of the Company. He plays an instrumental role in leading the growth of

the Company in all operational businesses and related functions. Mr. Jagadish Nangineni holds MBA degree from the Indian Institute of Management, Calcutta and has done Bachelor of Technology (B.Tech) in Civil Engineering from Indian Institute of Technology, Bombay.

### **MR. NISANTH M.N**

#### **Deputy Managing Director**

Mr. Nisanth MN was appointed as the whole-time director and was designated as Deputy Managing Director of the Company w.e.f. January 01, 2025. He completed his B.Tech, Civil Engineering degree from Government Engineering College, Thrissur in 2002 and associated with the Company since October 2002. He displayed exceptional project execution skills, managing large teams in multiple projects.

He was awarded the Best Project Execution Head in 2015 and became Area Head in 2016. He was promoted to a Regional Head—Kerala in 2020.

He is having expertise in Business Development, Product Design and Development, Land purchase & Legal, Litigations & Court Proceedings, Customer Relations, Sales & Collections, Marketing, Facility Management, Human Resource Management, Statutory approvals, Liaison, Procurement, Commercial Mall Management & Leasing, Corporate Communication & Media and Public Relations.

### **MS. SRIVATHSALA K N**

#### **Independent Director**

Ms. Srivathsala K N is an Independent Director of the Company. She is an entrepreneur, strategic business advisor, financial planner, active angel investor, start-up expert and a mentor. She is experienced in setting up, managing, and growing businesses. She is the founder of four organisations - Fintrans Investment Services, Wintrans Consultancy, Intuitive Alignment Sewa and Vandyam Sattvik Bliss. She is a mentor at Prahlad Kakkar's Institute of Branding and Entrepreneurship and IIT Bombay and Kharagpur. She guides students on financial planning and entrepreneurship. Besides this, she has conducted several training and awareness programmes on entrepreneurship and financial literacy for corporates, public and students. Ms. Srivathsala K N is a certified financial planner and an accounting technician from the Institute of Chartered

Accountant of India. She holds a master's degree in commerce from the Bengaluru University.

### **MR. RAMAN MANGALORKAR**

#### **Independent Director**

Mr. Raman Mangalorkar is an Independent Director of the Company. He is an entrepreneur and currently running a health-tech startup in the life extension and age reversal space. He has worked as Chief Executive Officer (CEO) of Jubilant Agri and Consumer Products Limited and as the Managing Director of Highstreet Capital in the Private Equity space. He worked with A.T. Kearney as the Head of the Consumer and Retail Practice for Asia Pacific on a variety of projects around the world including in the USA, UK, Switzerland, Japan, Korea and South America. Before this, he focused on the Corporate Finance and Treasury functions with Federal Mogul in Detroit. Mr. Raman Mangalorkar has more than 32 years' experience of industry, consulting and private equity and has worked across the globe on a wide range of strategic, operational and organization issues. His area of expertise includes formulating business strategies, transforming supply chains and managing large scale program implementations especially in the Retail and Consumer industries. Mr. Raman Mangalorkar completed his master's in business administration from Indiana University (Kelley School of Business) with specializations in Finance and MIS. He also has a master's in commerce from Bengaluru University.

### **MR. SUBBA RAO AMARTHALURU**

#### **Independent Director**

Mr. Subba Rao Amarthaluru is an Independent Director of the Company. He is a Chartered Accountant with a distinguished 35 years career, has served on the Institute of Chartered Accountants of India (ICAI) Committee and subsequently on the ICAI Accounting Standards Board. As Group CFO at GMR Group, he was instrumental in the company's transformation into a premier infrastructure conglomerate, achieved through strategic initiatives such as IPOs, QIPs, and debt financing. His leadership extended to roles as Group CFO and Management Board member at RPG Group, as well as Managing Director at Sanamar Group. Currently, Mr. Amarthaluru serves as an Independent Director on GMR Group companies, including GMR Airports Infrastructure Limited (formerly GMR Infrastructure Limited). Mr. Subba Rao Amarthaluru's

extensive financial expertise cultivated through leadership roles in major corporations, underscores his business acumen. He has track record in guiding companies through complex financial initiatives, deep understanding of allied sectors, combined with his tenure as a member of the ICAI Accounting Standards Board, provide valuable insights and guidance to the company. He has also been a key participant in several Government of India initiatives focused on infrastructure financing.

### **MR. GOPAL BHIMRAO HOSUR**

#### **Independent Director**

Mr. Gopal B. Hosur is an Independent Director of the Company. He is a retired Indian Police Service (IPS) officer with a distinguished career spanning 36 years in public service, known for his contributions to law and order, crime management, and the administration of the criminal justice system. A 1990 batch IPS officer of the Karnataka

cadre, he culminated his service as Inspector General of Police, Head of State Intelligence, Karnataka. Throughout his career, Mr. Hosur held pivotal positions both within and outside Karnataka, including IG- Police (Western Range), ACP (Bengaluru), and IG- Police, Home Guards, and Civil Defence (Bengaluru).

He received the President of India's medals for Meritorious Service (2001), Distinguished Service (2007), and Gallantry (2004, 2012). Post-retirement, he transitioned to corporate roles, serving as a corporate advisor to JSW Steel for five years and currently acting as an Independent Director at Dwarikesh Sugar Industries Limited, a listed company. He is also the CEO of Chinmaya Mission Hospital, a leading super-specialty healthcare facility in Bengaluru. He is a member of the Management Committee of the Bengaluru Chamber of Commerce & Industry and the President of the Karnataka Swimming Association.

# Corporate Information

## CHIEF FINANCIAL OFFICER

Mr. Yogesh Bansal

## COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Bijan Kumar Dash

## STATUTORY AUDITORS

M/s. Walker Chandio & Co LLP  
Chartered Accountants  
5<sup>th</sup> Floor, 65/2, Block A, Bagmane Tribid,  
Bagmane Tech Park, C V Raman Nagar,  
Bengaluru-560093.

## BANKERS AND FINANCIAL INSTITUTIONS

Aditya Birla Housing Finance Limited  
Axis Bank

Bajaj Housing Finance Limited

Bandhan Bank

Bank of Baroda

Catholic Syrian Bank

DBS Bank India Limited

DCB Bank Limited

HDFC Bank

ICICI Bank

IDBI Bank Limited

Indian bank

IndusInd Bank

Kotak Mahindra Bank Limited

Kotak Mahindra Investments Limited

Punjab National Bank

RBL Bank Limited

South Indian Bank Limited

Standard Chartered Bank

State Bank of India

Union Bank of India

# Committees of the Board

## AUDIT COMMITTEE

Mr. Raman Mangalorkar (Chairman)

Mr. Jagadish Nangineni

Ms. Srivathsala K N

Mr. Subba Rao Amarthaluru

## STAKEHOLDERS RELATIONSHIP COMMITTEE

Ms. Srivathsala K N (Chairman)

Mr. Ravi PNC Menon

Mr. Jagadish Nangineni

Mr. Raman Mangalorkar

## NOMINATION, REMUNERATION AND GOVERNANCE COMMITTEE

Mr. Raman Mangalorkar (Chairman)

Mr. Ravi PNC Menon

Ms. Srivathsala K N

Mr. Subba Rao Amarthaluru

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Ms. Srivathsala K N (Chairman)

Mr. Jagadish Nangineni

Mr. Gopal Bhimrao Hosur

Mr. Nisanth M N

## RISK MANAGEMENT COMMITTEE

Mr. Subba Rao Amarthaluru (Chairman)

Mr. Ravi PNC Menon

Mr. Jagadish Nangineni

Mr. Yogesh Bansal

## REGISTERED AND CORPORATE OFFICE

Sobha Limited 'SOBHA'

Sarjapur-Marathahalli Outer Ring Road (ORR),

Devarabisanahalli, Bellandur Post,

Bengaluru - 560 103.

Tel: +91 80 4932 0000

[www.sobha.com](http://www.sobha.com)

CIN: L45201KA1995PLC018475

# Director's Report

Dear Members,

The Board of Directors are pleased to present the 30<sup>th</sup> Annual Report on the business and operations of the Company together with the Audited Financial Statements for the year ended March 31, 2025.

## FINANCIAL HIGHLIGHTS

(₹ In million)

Particulars	Standalone		Consolidated	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Total Revenue	42,024.79	32,226.45	41,627.59	32,178.82
Operating Expenditure	37,743.88	28,401.88	37,443.66	28,199.23
Earnings before Interest, Depreciation and Amortisation	4,280.77	3,824.57	4,183.93	3,979.57
Depreciation and Amortisation	858.57	741.83	898.25	782.21
Finance Cost	1,884.79	2,399.10	1,955.67	2455.06
<b>Profit Before Tax</b>	<b>1,537.55</b>	<b>683.64</b>	<b>1,330.01</b>	<b>742.27</b>
Tax Expenses	415.23	217.95	383.15	251.14
<b>Profit after Tax</b>	<b>1,122.32</b>	<b>465.69</b>	<b>946.86</b>	<b>491.13</b>
<b>Other comprehensive income/(loss) for the year, net of tax</b>	<b>(22.55)</b>	<b>(12.56)</b>	<b>(22.55)</b>	<b>(12.56)</b>
<b>Total comprehensive income for the year</b>	<b>1,099.77</b>	<b>453.13</b>	<b>924.31</b>	<b>478.57</b>
<b>Earnings per equity share [nominal value of ₹ 10 per share] Basic</b>	<b>10.99</b>	<b>4.91</b>	<b>9.28</b>	<b>5.18</b>
<b>Earnings per equity share [nominal value of ₹ 10 per share] Diluted</b>	<b>10.99</b>	<b>4.91</b>	<b>9.28</b>	<b>5.18</b>

## COMPANY'S PERFORMANCE

### Standalone

During the Financial Year 2024-25, the Company, on a standalone basis, earned total revenue of ₹ 42,024.79 million as compared to ₹ 32,226.45 million in the previous year thereby registered a growth of 30.40%. The Profit before Tax during the year was ₹ 1,537.55 million as against ₹ 683.64 million in the previous year, and Profit after Tax during the year was ₹ 1,122.32 million as against ₹ 465.69 million in the previous year. The profit after tax registered a growth of 141% percent.

### Consolidated

On a consolidated basis the revenue of the Company during the financial year 2024-25 was ₹ 41,627.59 million, an increase of 29.36 per cent from the previous year. The Profit before Tax increased by 79.18 per cent and Profit after Tax (after considering minority interest) increased by 92.79 per cent as compared to the financial year 2023-24.

### Transfer to Reserves

Your Directors propose to transfer ₹ 112.23 million of the current profits to the General Reserve.

### Dividend

The Company aims to follow a consistent dividend pay-out while striving to achieve a trade-off between deployment of internal accruals for growth and the payment of dividend.

The Board of Directors, subject to the approval of the shareholders at the ensuing Annual General Meeting, are pleased to recommend a dividend of ₹ 3 per equity share of ₹ 10 each.

## BUSINESS AND OPERATIONS

SOBHA primarily operates across the following business verticals:

- Real Estate – Development of residential and commercial properties under the brand name of SOBHA.

- Contractual – EPC (Engineering, procurement and construction) contracts catering to external institutional clients.
- Manufacturing – Construction sector related production capabilities like Concrete products, Glazing and metal and Interiors etc., supporting in-house projects as well servicing external clients.

### Completed Projects

During the year under review, the Company executed and handed over 7.21 million square feet real estate projects and 0.19 million square feet of contractual projects resulting in an aggregate development of 7.40 million square feet.

The Company has completed construction of 143.65 million square feet of area since its inception.

### Ongoing Projects

The Company currently has real estate projects aggregating 39.72 million square feet of developable area. It has 3.86 million square feet of ongoing contractual projects which are in various stages of construction.

The Company has a geographic footprint in 27 cities across 14 states in India.

### Management Discussion and Analysis Report

In accordance with the requirements of Regulation 34 read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, (“SEBI LODR Regulations”) the Management Discussion and Analysis Report titled ‘Management Report’ is presented in a separate section in the Annual Report. The shareholders may refer to management report to gain more understanding on industry in which the Company operates, operations of the Company and various other aspects including risks and concerns, outlook and internal controls.

### Material Changes and Commitments

In terms of Section 134(3) of the Companies Act, 2013 (the “Act”), except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company’s financial position have occurred. During the year under review there has been no change in the nature business of the Company.

## SUBSIDIARIES, JOINT VENTURES, AND ASSOCIATES

### Financial Position and Performance of Subsidiaries, Joint Ventures, and Associates

During the year, the Board of Directors of the Company reviewed the affairs of the subsidiaries. In accordance with

Section 129(3) of the Act, we have prepared the Consolidated financial statements of the Company, which form part of this Annual Report. In terms of Section 134 of the Companies Act, 2013 and Rule 8(1) of the Companies (Accounts) Rules, 2014, a statement containing the salient features of the financial statements of the Subsidiaries of the Company in Form AOC-1, forms part of Annual Report.

Pursuant to the provisions of Section 136 of the Companies Act, 2013 read with Regulation 46 of the SEBI LODR Regulations, Audited Financial Statements of the Company, including Consolidated Financial Statements, other documents required to be attached thereto and Audited Financial Statements of each of the subsidiaries, are available on the website of the Company and may be accessed at <https://www.sobha.com/investor-relations/#downloads>.

### Changes in Subsidiaries, Joint Ventures, and Associates

As on date, the Company has Seven direct wholly owned subsidiaries and six step-down subsidiaries. The Company also has an economic interest in a partnership firm, Sobha City, which has 6 subsidiaries. During the year under review, Sobha Developers (Pune) Limited, a wholly owned subsidiary of Sobha Limited entered into agreement on April 02, 2024 to acquire 100 % equity shares of BNB Builders Private Limited, and completed the acquisition on July 24, 2024. With this acquisition BNB Builders Private Limited became a wholly owned subsidiary of Sobha Developers (Pune) Limited and a step-down subsidiary of Sobha Limited. As on the date of this report, after receipt of approval from Ministry of Corporate Affairs on May 01, 2025, the name BNB Builders Private Limited has been changed to Sobha Commercial Private Limited.

## CAPITAL STRUCTURE

### A. Share Capital

The authorized share capital of the Company is ₹ 2,000,000,000, divided into 150,000,000 equity shares of ₹ 10 each and 5,000,000 preference shares of ₹ 100 each. At the beginning of the year under review, the issued, subscribed, and fully paid-up capital was ₹ 948,458,530 divided into 94,845,853 equity shares of ₹ 10 each. During the year under review the Company made an issue of up to 12,107,981 partly paid-up equity shares of face value of ₹ 10 each of the company (“rights equity shares”) for cash at a price of ₹ 1,651 per rights equity share (including a premium of ₹ 1,641 per rights equity share) (“issue price”). As on March 31, 2025 the Company’s issued, subscribed, and fully paid-up capital of the Company remained at ₹ 1,069,362,925/- divided into 106,918,751 fully paid up equity shares of ₹ 10 each and 35,083 partly paid up shares of ₹ 5 each. Further, the Company has not issued equity shares with differential rights as to dividend, voting or otherwise (including sweat equity shares) to employees of the Company under any scheme, convertible or non-

convertible securities or warrants and has not held any shares in trust for the benefit of employees where the voting rights are not exercised directly by the employees. The Company has not bought back any of its securities during the year.

## **B. Rights Issue**

The Board of Directors of the Company at its meeting held on January 22, 2024, approved to raise funds by way of an offer on a rights basis up to ₹ 20000 million (Twenty Thousand million). Pursuant to the Letter of Offer dated June 12, 2024, the Company made an issue of up to 12,107,981 partly paid-up equity shares of face value of ₹ 10 each of the company ("rights equity shares") for cash at a price of ₹ 1,651 per rights equity share (including a premium of ₹ 1,641 per rights equity share) ("issue price") aggregating up to ₹ 19,990.28 million on a rights basis to the eligible equity shareholders in the ratio of 6 rights equity shares for every 47 fully paid-up equity share held by the eligible equity shareholders on the record date, that is on Wednesday, June 19, 2024 ("record date") (the "issue"). The Company successfully received ₹ 825.5 per rights equity share (including a premium of ₹ 820.5 per rights equity share) from the eligible equity shareholders on application amounting to ₹ 9,995.14 million with an overwhelming response and oversubscription of 139.64 percentage. The partly paid shares were allotted on July 11, 2024 to the eligible shareholders as per the basis of allotment approved by the designated stock exchange, BSE Limited. The Company's shares got listed on BSE Limited and National Stock Exchange Limited on July 22, 2024.

The Board of Directors of the Company (the "Board"), at its meeting held on November 14, 2024, approved First and Final Call of ₹ 825.50 per share and fixed December 6, 2024, as the record date for determining eligible shareholders, with due intimation to BSE Limited and National Stock Exchange Limited. Based on First and Final Call Money notice dated November 14, 2024, the Company received call money on 12,050,250 partly paid-up Equity Shares from 18,683 shareholders for the balance payment of ₹ 825.50 per share (comprising ₹ 5 towards face value and ₹ 820.50 towards Share Premium) amounting to ₹ 9,947.48 million by the end of the issue closure dated i.e. January 10, 2025, out of 12,107,981 partly paid-up equity shares (originally allotted as party paid-up equity shares on July 11, 2024). Based on the approval of the Rights Issue Committee dated January 21, 2025, 12,050,250 number of partly paid shares got converted to fully paid shares and listed on BSE Limited and National Stock Exchange Limited on January 31, 2025.

On January 21, 2025, the Rights issue Committee of the Board of Director of the Company further approved issuance of a First Reminder cum Forfeiture Notice to shareholders holding 57,731 partly paid shares who failed to pay the First and Final Call Money. The Company received Call money against 22,648 shares and converted

shares into fully paid shares on March 13, 2025. Till the date of this report the Company has issued Second Reminder cum Forfeiture notice to the shareholders holding 35,083 partly paid shares who failed to pay the First and Final Call Money. The Company received Call money against 6,881 shares and converted shares into fully paid shares on May 13, 2025. The Company envisaged the proposed rights issue to be completed in the financial year 2025-26.

## **C. Debentures**

The Company has not issued debentures or bonds during the year under review. There were no outstanding debentures as on 31<sup>st</sup> March, 2025.

## **D. Deposits**

The Company has neither invited nor accepted/renewed any deposits from the public within the meaning of Section 73 and 74 of the Act, read with the Companies (Acceptance of Deposit) Rules, 2014, during the year under review. As such, no amount of principal or interest was outstanding as on the date of this report.

## **E. Particulars of Loans, Guarantees, and Investments**

In terms of Section 134 of the Companies Act, 2013, the particulars of loans, guarantees, and investments made by the Company under Section 186 of the Companies Act, 2013 are detailed in Notes to Accounts of the Financial Statements.

## **F. Transfers to the Investor Education and Protection Fund**

In compliance with Section 124 of the Companies Act, 2013 the dividends pertaining to financial year 2016-17 which were lying unclaimed with the Company were transferred to the Investor Education and Protection Fund during financial year 2024-25. The details of unclaimed dividends transferred to the Investor Education and Protection Fund have been depicted in the Corporate Governance Report which forms a part of the Annual Report.

As required under Section 124 of the Companies Act, 2013 and the Rules made thereunder, 1,772 (one thousand seven hundred and seventy-two) equity shares, in respect of which dividend had not been claimed by the shareholders for seven consecutive years or more, were transferred to the Investor Education and Protection Fund during the year under review. The details of the shares and shareholders are available on the Company's website.

## **BOARD OF DIRECTORS AND ITS COMMITTEES**

### **A. Composition of the Board of Directors**

As on March 31, 2025, the Board of Directors of the Company comprises of Seven Directors, four are Non-

Executive Independent Directors including One-Woman Independent Director, one Non-Executive Non-Independent Director and two Whole Time Director designated as Managing Director and Deputy Managing Director. The composition of the Board of Directors is in compliance with Regulation 17 of SEBI LODR Regulations and Section 149 of the Companies Act, 2013.

## **B. Changes in Directors and Key Managerial Personnel**

During the year under review, Mr. Ramachandra Venkatasubba Rao and Mr. Anup Sanmukh Shah, Non-Executive Independent Directors ceased to be directors of the Company due to completion of their term of Directorship effective from closing Business hours of August 08, 2024. Mr. Subba Rao Amarthaluru and Mr. Gopal Bhimrao Hosur, were appointed as an Additional Directors in the capacity of Non-executive Independent Directors effective from August 08, 2024. Their appointment was approved by the shareholders by passing a special resolution through postal ballot on September 12, 2024.

Mr. Manakulamparambil Narayanan Nisanth, was appointed as a Director of Company in the capacity of Whole-time Director designated as Deputy Managing Director effective from January 01, 2025, by the shareholders by passing resolution through postal ballot on December 26, 2024.

Ms. Srivathsala Kanchi Nandagopal, who was appointed as a Director in the capacity of a Non-Executive Independent Director with effect from January 04, 2020, and holds office till January 03, 2025, was re-appointed as a Non-Executive Independent Director of the Company for a second term of five consecutive years effective from January 03, 2025. Her appointment was approved by the shareholders by passing special resolution through postal ballot on December 26, 2024.

Pursuant to the provisions of Section 2(51) and Section 203 of the Companies Act, 2013 Mr. Jagadish Nangineni, Managing Director, Mr. Yogesh Bansal, Chief Financial Officer ("CFO") and Mr. Bijan Kumar Dash, Company Secretary and Compliance Officer are the Key Managerial Personnel ("KMP") of the Company as on March 31, 2025. There is no change in the KMP during the year under review.

## **C. Re-appointment of Directors Retiring by Rotation**

Pursuant to the provision of the Section 152 of the Companies Act, 2013, Mr. Jagadish Nangineni, Director designated as Managing Director (DIN: 01871780) of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for the re-appointment. The Board of directors based on

the recommendation of the Nomination, Remuneration and Governance Committee has recommended the re-appointment of Mr. Jagadish Nangineni, as Director retiring by rotation.

The Notice convening the Annual General Meeting includes the proposal for the re-appointment of Mr. Jagadish Nangineni as a Director of the Company. A brief resume of Mr. Jagadish Nangineni has been provided as an Annexure to the Notice convening the Annual General Meeting. Specific information about the nature of Mr. Jagadish Nangineni's expertise in specific functional areas and the names of the companies in which he holds directorship and membership/chairmanship of the Board Committees have also been provided in the Notice convening the Annual General Meeting.

## **D. Number of meetings of the Board**

During the year under review, the Board of Directors duly met Six times on May 17, 2024, June 12, 2024, August 08, 2024, November 14, 2024, February 06, 2025, and March 13, 2025. The maximum interval between any two consecutive meetings did not exceed 120 days, as prescribed under the Companies Act, 2013 and SEBI LODR Regulations.

## **E. Board Committees**

The Board has constituted different committees to assist the Board in effectively discharging its functions and responsibilities. These committees are being delegated different roles in line with the applicable provisions of the Act and SEBI LODR Regulations, namely:

1. Audit Committee;
2. Nomination, Remuneration and Governance Committee;
3. Stakeholders Relationship Committee;
4. Corporate Social Responsibility Committee; and
5. Risk Management Committee;

The details of the Committees including composition, terms of reference, meeting details etc., are provided in the Corporate Governance Report forming part of the annual report.

The recommendations, if any, of these Committees are submitted to the Board for approval. During the year under review, the Board accepted the recommendations of the Committees.

## **G. Separate meeting of independent directors**

In accordance with the provisions of the Act, a separate meeting of the Independent Directors of the Company was held on March 13, 2025.

## H. Performance Evaluation

In terms of Section 134 (3) (p) read with Articles VII and VIII of Schedule IV of the Companies Act, 2013 the annual performance evaluations of the Board and that of its statutory committees like Audit Committee, Stakeholders' Relationship Committee, Nomination, Remuneration and Governance Committee, Corporate Social Responsibility Committee, Risk Management Committee, the Chairman, independent directors, and executive directors were carried out during the financial year 2024-25.

In order to evaluate the performance of the Board, Committees and individual directors the Nomination, Remuneration and Governance Committee ("NRGC") has formulated criteria, pursuant to provisions of the Companies Act, 2013, the Rules made thereunder and the SEBI LODR Regulations, as amended from time to time. Evaluation of functioning of the Board, Committees, independent directors, executive directors and the Chairman are based on internal questionnaire circulated amongst the Board members. While the Board evaluated its own performance as per the parameters laid down by the NRGC, the evaluations of Individual Directors were carried out as per the laid down parameters, anonymously in order to ensure objectivity. The Board assessed the performance and the potential of each of the independent directors with a view to maximizing their contribution to the Board. The independent directors of the Board also reviewed the performance of the Chairman, Executive Directors and the Board, at the separate meeting of the independent directors especially called for that purpose.

## I. Directors' Responsibility Statement

According to the information and explanations obtained, pursuant to Section 134(5) of the Companies Act, 2013 your Directors hereby confirm, that:

- I. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- II. the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2024-25 and of the profit of the Company for that period;
- III. proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- IV. the annual accounts have been prepared on a going concern basis;
- V. internal financial controls to be followed by the Company have been laid down and such internal financial controls are adequate and operating effectively; and
- VI. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## J. Declaration by Independent Directors

The Independent Directors in their respective disclosures have confirmed that they are independent of the Management and not aware of any circumstances or situation, which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the disclosures received from Independent Directors, the Board of Directors has confirmed that they fulfilled conditions specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI LODR Regulations. Further, the Board is of the opinion that the Independent Directors of the Company uphold highest standards of integrity and possess requisite expertise, experience and proficiency required to fulfil their duties as an Independent Directors.

## K. Confirmation by Directors regarding Directorship/Committee Positions.

Based on the disclosures received, none of the Directors on the Board held directorships in more than ten public companies and none of the Independent Directors served as an Independent Director in more than Seven listed entities as on March 31, 2025. Further, Whole-time Directors of the Company did not serve as an Independent Director in any other listed company. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2025, have been made by the Directors and reported in the Corporate Governance Report which forms part of the Annual Report.

## AUDIT, AUDITORS AND ASSURANCE

### A. Statutory Audit

At the Twenty Seventh Annual General Meeting held on August 10, 2022, the members appointed M/s. Walker Chandio & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013) as Statutory Auditors of the Company, for a period of 5 years from the conclusion of 27<sup>th</sup> Annual General Meeting till the conclusion of the 32<sup>nd</sup> Annual General Meeting.

The Statutory Auditors performed the audit during the financial year 2024-25 and expressed an unmodified opinion in the audit reports with respect to audited financial statements for the financial year ended March 31, 2025. There are no qualifications or adverse remarks in the

Statutory Auditors' Report which require any explanation from the Board of Directors.

## **B. Secretarial Audit**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors, based on the recommendation of the Audit Committee, appointed Mr. Nagendra D Rao, Practicing Company Secretary bearing Certificate of Practice Number 7731 as the secretarial auditor of the Company for the financial year 2024-25. The Secretarial Audit Report issued by Mr. Nagendra D Rao, in accordance with the provisions of Section 204 of the Act is provided separately in the Annual Report **Annexure A**.

There are no qualifications or adverse remarks in the Secretarial Audit Report which require any explanation from the Board of Directors.

Further, pursuant to recent amendments in the Regulation 24A of SEBI LODR Regulations, the Company is required to appoint a Secretarial Auditor for a term of five consecutive years.

The Company has received consent from Nagendra D Rao & Associates LLP, a peer Reviewed Company Secretary firm (firm Registration no AAK – 4698 Peer review certificate no 5827/2024) to act as the Secretarial Auditor of the Company from the FY 2025-26 to 2029-30, along with the certificate confirming his eligibility.

The Board of Directors on the recommendation of the Audit Committee Meeting held on May 28, 2025, subject to the approval of the members, appointed Nagendra D Rao & Associates LLP, Company Secretaries as the Secretarial Auditor of the Company for a period of five years from FY 2025-26 to FY 2029-30.

Accordingly, the board recommends to the members appointment of Nagendra D Rao & Associates LLP as the Secretarial Auditors of the Company for a term of five consecutive years. A resolution seeking approval of appointment secretarial auditor forms part of the Notice convening the ensuing Annual General Meeting.

## **C. Cost Audit**

The Company is required to maintain cost records and have the cost records audited by a cost auditor as specified by the Central Government in accordance with the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time. Requisite Cost records have been prepared and maintained by the Company for financial year 2024-25.

The Board of Directors, based on the recommendation of the Audit Committee, have appointed M/s. Gudi Srinivasarao & Co., Cost Accountants bearing Firm Registration Number 004336 as the Cost Auditors of the Company for the financial year 2024-25. In terms of Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors for financial year 2024-25 is subject to ratification by the shareholders of the Company. The notice convening the Annual General Meeting contains the proposal for ratification of the remuneration payable to the Cost Auditors.

The Cost Audit Report for the financial year 2023-24 was filed with the Registrar of Companies, Ministry of Corporate Affairs, New Delhi within the due date prescribed under the Companies (Cost Records and Audit) Rules, 2014. There are no qualifications or adverse remarks in the Cost Audit Report which require any explanation from the Board of Directors.

## **D. Internal Audit and Internal Financial Controls**

The internal audit function is responsible for providing independent assurance with regard to the effectiveness, accuracy, and efficiency of the internal control systems and processes in the Company. The internal audit function of the Company is being performed by inhouse internal audit team. The internal audit is carried out based on audit plan approved by the audit committee. Observations of the internal audit carried out by the audit team get reviewed quarterly at the audit committee meeting and action taken on the deviation get monitored to improve the efficiency in the overall business operation, processes and governance. Internal Audit function helps the Company to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

There are adequate internal financial controls in place with reference to the financial statements. During the year under review, the internal audit team and the Statutory Auditors tested these controls independently and no significant weakness was identified either in the design, implementation, maintenance and operations of the controls. A report issued by the Statutory Auditors, M/s. Walker Chandio & Co LLP, on the Internal Financial Controls forms a part of the Annual Report.

## **E. Reporting of Fraud by Auditors**

The Statutory Auditors, Secretarial Auditor and Cost Auditors have not reported any instance of fraud in respect of the Company by its officers or employees under Section 143(12) of the Companies Act, 2013.

## **CORPORATE GOVERNANCE AND POLICIES**

### **A. Corporate Governance**

In accordance with Regulation 34(3) read with Schedule V of the SEBI LODR Regulations, a separate report on corporate governance forms part of this report.

A certificate from Mr. Nagendra D Rao, Practicing Company Secretary affirming compliance with the various conditions of corporate governance in terms of the SEBI LODR Regulations, is given in **Annexure B** to this report.

### **B. Code of Conduct**

The Company has laid down a Code of Conduct for the Directors as well as for all senior management of the Company. As prescribed under Regulation 17 of the SEBI LODR Regulations, a declaration signed by the Managing Director affirming compliance with the Code of Conduct by the Directors and senior management personnel of the Company for financial year 2024-25 forms part of the Corporate Governance Report.

### **C. Nomination and Remuneration Policy**

The Nomination, Remuneration, and Governance Committee of the Board of Directors is responsible for recommending the appointment of the Directors and senior management to the Board of Directors of the Company. The Company has in place a Nomination and Remuneration Policy containing the criteria for determining qualifications, positive attributes, and independence of a Director and policy relating to the remuneration for the Directors, Key Managerial Personnel, and senior management personnel of the Company. The committee also postulates the methodology for effective evaluation of the performance of Individual Directors, committees of the Board, and the Board as a whole which should be carried out by the Board, committee or by an independent external agency and review its implementation and compliance (The Nomination and Remuneration Policy is attached as **Annexure C** and is also available on the Company's website at <https://www.sobha.com/wp-content/uploads/2025/03/nomination-and-remuneration-policy-v2.pdf>.

### **D. Statement concerning development and implementation of risk management policy and framework of the Company**

The Company's risk management is embedded in the business processes, integrated with all operations and functions, and monitored proactively. The Board has constituted Risk Management Committee ("RMC") to proactively oversight the risk management process to identify, assess and mitigate risks, in order to protect its business from existing and emerging risks, improve corporate governance and enhance stakeholders' value. The RMC lays down procedures for risk assessment and minimization. It shall serve as the "eyes and ears" for the Company which would ensure that the Company is

insulated from risks both at the macro and micro level. The Board has formulated a risk management policy and ensures its implementation through different mechanism including internal audit. The RMC periodically reviews the various risks associated with the Company's business and recommends steps to be taken to control, monitor and mitigate the risk.

The members are requested to refer Management Discussion and Analysis Report forming part of this Report to know more about risk and concerns relating to industry.

### **E. Corporate Social Responsibility Policy**

Over the past decades, the Company has been actively engaged in delivering maximum value to the society. The Company lays significant emphasis on the economic, social empowerment and sustainable development of the communities around which it operates. The Company believes that its achievements do not refer only to its growth but also spread to society.

The Corporate Social Responsibility Policy, as formulated by the Corporate Social Responsibility Committee and approved by the Board of Directors is available on the Company's website at <https://www.sobha.com/wp-content/uploads/2025/03/sobha-CSR-policy-v2.pdf>.

In terms of Section 134 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the annual report on the Corporate Social Responsibility activities of the Company is given in **Annexure D** to this report.

### **F. Dividend Distribution Policy**

As per Regulation 43A of the SEBI LODR Regulations, top 1,000 listed companies based on market capitalization are required to formulate a dividend distribution policy. Accordingly, the Company has adopted the Dividend Distribution Policy which sets out the parameters and circumstances which are to be considered by the Board in determining the distribution of dividend to its Members and/or retaining profits earned by the Company. The Company's Dividend Distribution Policy is available on the Company's website at <https://www.sobha.com/wp-content/uploads/2025/03/sobha-dividend-distribution-policy-v2.pdf>.

### **G. Vigil Mechanism**

The Company has established a vigil mechanism to promote ethical behaviour in all its business activities. It has in place a mechanism for employees and directors to report any genuine grievances, illegal and unethical behaviour, suspected fraud or violation of laws, rules, and regulations or conduct to the Vigilance Officer and the Audit Committee of the Board of Directors. The policy also provides for adequate protection to whistle blower against victimization or discriminatory practices. The policy is

available on the Company's website at <https://www.sobha.com/wp-content/uploads/2025/03/vigil-mechanism-v2.pdf>.

During the year under review, the Company did not receive any complaints relating to unethical behaviour, actual or suspected fraud, or violation of the Company's Code of Conduct from any employee or Directors.

## **OTHER MATTERS**

### **A. Disclosure on Confirmation with Secretarial Standards**

During the year under review, the Secretarial Standards issued by the Institute of Company Secretaries of India have been complied with pursuant to the Companies Act, 2013 and the rules made thereunder.

### **B. Significant or material orders passed by Regulators/Courts**

During the year under review, there were no significant or material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

### **C. Human Resources**

Employee relations continue to be cordial at all levels and in all divisions of the Company. The Board of Directors would like to express its sincere appreciation to all the employees for their continued hard work and steadfast dedication. As on March 31, 2025, the Company had an organizational strength of 4,505 employees.

### **D. Remuneration Details of Directors, Key Managerial Personnel, and Employees**

The statement containing particulars in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report and is appended herewith as **Annexure E** to the Board's Report.

The statement containing particulars in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this report. However, considering the first proviso to Section 136(1) of the Companies Act, 2013, the Annual Report,

excluding the aforesaid information, is being sent to the members of the Company and others entitled thereto. The said information is available for inspection at the registered office of the Company during business hours on working days of the Company up to the date of the ensuing AGM. Any shareholder interested in obtaining a copy thereof, may write to the secretarial team at [investors@sobha.com](mailto:investors@sobha.com) of the Company in this regard.

### **E. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has adopted a policy on prevention and redressal of sexual harassment at the workplace. Pursuant to the provisions of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act) and relevant Rules made thereunder, the Company has in place an Internal Complaints Committee (ICC) for prevention and redressal of complaints of sexual harassment of women at the workplace. No complaints were received by the Company during the year under review.

### **F. Credit Rating**

The Company's financial discipline and prudence is reflected in the strong credit ratings ascribed by rating agencies. The details of credit ratings are disclosed in the Corporate Governance Report, which forms part of this Annual Report.

### **G. Related Party Transactions**

During the year, the Company did not enter into any contract/arrangement/transaction with a related party which can be considered as material in terms of the policy on related party transactions laid down by the Board of Directors. Related party transactions, if any, pursuant to the SEBI LODR Regulations, were approved by the Audit Committee from time to time prior to entering into the transactions. The related party transactions undertaken during financial year 2024-25 are detailed in the Notes to Accounts of the Financial Statements.

Further, during the year under review, there were no contracts or arrangements entered with related parties referred to the criteria mentioned in Sub-section (1) of Section 188 of the Companies Act, 2013. Therefore, there is no requirement to report any transaction in Form AOC-2.

## H. Annual Returns

In accordance with the Companies Act, 2013, the annual returns in the prescribed format are available under the link <https://www.sobha.com/wp-content/uploads/2025/06/Annual-Return-2024-25.pdf>.

## I. Conservation of Energy, Technology Absorption, and Foreign Exchange Earnings and Outgoing

In terms of Section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, the details of energy conservation, technology absorption, foreign exchange earnings, and outgoings are given as **Annexure F** to this report.

## J. Business Responsibility and Sustainability Report (BRSR)

The Company is committed to pursue its business objectives ethically, transparently and with accountability to all its stakeholders. It believes in demonstrating responsible behaviour while adding value to the society and the community, as well as ensuring environmental well-being from a long-term perspective.

The Company is presenting the BRSR to the stakeholders of the Company as part of this Annual Report and available on the website of the Company.

## K. Awards and Recognitions

During financial year 2024-25, the Company was conferred with various awards and recognitions, the details of which are given in a separate section in the Annual Report.

## L. Additional Information to Shareholders

All important and pertinent investor information such as financial results, investor presentations, press releases, new launches, and project updates are made available on the Company's website ([www.sobha.com](http://www.sobha.com)) on a regular basis.

## M. Details under Insolvency & Bankruptcy Code, 2016

No application is made, or any proceeding is pending against the Company under Insolvency and Bankruptcy Code, 2016 during or as at the end of the year under review.

## N. Details of One Time Settlement and Valuation of Assets

The Company did not avail any One Time Settlement (OTS) from banks or Financial Institutions and hence giving disclosures on valuation of assets/securities at the time of borrowing and at the time of OTS does not become applicable.

## ACKNOWLEDGEMENTS

The Directors would like to place on record their sincere appreciation of the Company's customers, vendors, and bankers for their continued support to the Company during the year. The Directors also wish to acknowledge the contribution made by employees at all levels for steering the growth of the organization. We thank the Government of India, the state governments and other government agencies for their assistance and cooperation and look forward to their continued support in the future. Finally, the Board would like to express its gratitude to the members for their continued trust, cooperation, and support.

For and on behalf of the Board of Directors of  
**SOBHA Limited**

**Place:** Bengaluru  
**Date:** May 29, 2025

**Ravi PNC Menon**  
Chairman

**Jagadish Nangineni**  
Managing Director

# Annexure A

To,  
The Members,  
**Sobha Limited**,  
SOBHA, Sarjapur-Marathahalli Outer Ring Road (ORR),  
Devarabisanahalli, Bellandur Post,  
Bengaluru – 560 103.

My report of even date is to be read along with this letter.

## MANAGEMENT'S RESPONSIBILITY

It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

## AUDITOR'S RESPONSIBILITY

1. My responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
2. I believe that audit evidence and information obtained from the Company's management is adequate and appropriate for me to provide a basis for my opinion.
3. Wherever required, I have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

## DISCLAIMER

The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Place:** Bengaluru  
**Date:** May 29, 2025

**Nagendra D. Rao**  
Practising Company Secretary  
Membership No. FCS – 5553  
Certificate of Practice – 7731  
Peer Reviewed Unit  
Peer Review Certificate No.: 672/2020  
UDIN: F005553G000478905

## FORM NO. MR-3

### Secretarial Audit Report

For the Financial Year ended 31<sup>st</sup> March 2025

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**Sobha Limited**,  
SOBHA, Sarjapur-Marathahalli Outer Ring Road (ORR),  
Devarabisanahalli, Bellandur Post,  
Bengaluru – 560 103.

I have conducted the secretarial audit of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **SOBHA LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in the manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of the secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2025 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31<sup>st</sup> March 2025** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
  - (d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **[Not Applicable to the Listed Entity during the financial year under review]**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **[Not Applicable as the Listed Entity has not raised any funds by issue of listed debentures during the financial year under review]**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients; **[Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review]**
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and **[Not Applicable as the Company has not delisted/propose to delist its equity shares from any stock exchange during the financial year under review]**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **[Not Applicable as the Company has not bought back any of its securities during the financial year under review]**

- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) The Laws as are applicable specifically to the Company are as under:
  - a) Real Estate (Regulation & Development) Act, 2016;
  - b) Transfer of Property Act, 1882;
  - c) Indian Easements Act, 1882;
  - d) Registration Act, 1908;
  - e) The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996;
  - f) Indian Stamp Act, 1899; and
  - g) Karnataka Stamp Act, 1957.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

The Board of Directors of the company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

I report that the Company had entered into a Joint Development Arrangement with certain land owners in Gurugram, Haryana, in earlier years. In respect of this transaction, the Enforcement Directorate ('ED') after due investigation has filed a complaint with Adjudicating Authority, Prevention of Money Laundering (AA-PML), alleging certain irregularities in respect of the manner of allotment and pricing of certain plots under this project or payment of applicable fees and charges by the Company or the landowners, with respect to the terms and conditions mentioned in the development policy of Haryana Development and Regulation of Urban Areas Act (HDRUAA), 1975 and the bilateral agreement between the land owners

and Directorate of Town and Country Planning, Haryana (DTCP) resulting in provisional attachment under the Prevention of Money Laundering Act, 2002 ('PMLA') of land parcels with value of ₹ 2,016.05 million, held by Technobuild Developers Private Limited ('TDPL'). The Company has entered into a Memorandum of Understanding ('MoU') with TDPL for acquiring land parcels using advances extended by the Company. As per the MoU, TDPL and its affiliates cannot transfer land parcels without prior approval of the Company and the Company has absolute rights over land parcels acquired by TDPL and its affiliates acquired from such advance given by the Company.

During the previous years, the Company was in receipt of Show Cause Notice (SCN) under the PMLA from AA-PML and the Company had duly filed detailed responses to allegations made in SCN. However, AA-PMLA has passed an order confirming the provisional attachment of the aforesaid land parcels and the Company has duly filed an appeal before The Appellate Tribunal against the AA-PML order under Section 26 of the PMLA.

It has been further informed that the Management, based on its overall assessment and independent legal opinion obtained, believes that these transactions have been carried out in accordance with all the applicable laws and regulations and the said bilateral agreement and has not identified any adverse material impact to the standalone audited financial results as at 31 March 2025 or for earlier periods including the recoverability of land advance given against such provisionally attached ₹ 2,016.05 million land parcels held by TDPL.

#### **I further report that**

1. Sobha Developers (Pune) Limited ("SDPL"), a wholly owned subsidiary of Sobha Limited (the "Company") has entered into a Share Purchase Agreement ("SPA") on 2<sup>nd</sup> April, 2024, with BNB Builders Private Limited ("BBPL") to acquire 100% equity shares of the BBPL, as stipulated in the SPA. With the acquisition of the said equity shares, BBPL will become a wholly owned subsidiary of SDPL and a step-down subsidiary of the Company.
2. The Company received In Principle approval from BSE Limited and National Stock Exchange of India Limited vide their letter dated 3<sup>rd</sup> June, 2024 and May 31, 2024, respectively for the listing the Rights Equity Shares.
3. The Board of Directors of the Company vide their Resolution dated 12<sup>th</sup> June, 2024 with respect to Rights Issue approved (a) Letter of Offer, (b) Issue of 12,107,981 Partly paid-up Equity Shares on Rights basis, (c) Terms of Issue, (d) Record date for identifying the eligible shareholders to apply for Rights issue, and (e) approved the schedule of Issue of Rights Shares.

4. The Rights issue Committee of the Board of Directors dated 11<sup>th</sup> July, 2024 allotted 12,107,981 Rights Equity Shares to the eligible shareholders in accordance with the Letter of Offer dated 12<sup>th</sup> June, 2024.

**I further report that** Board Meeting dated 12<sup>th</sup> June, 2024 and 13<sup>th</sup> March, 2025 have been held at shorter Notice. Except as stated above, adequate notice has been given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the Minutes of the Board of Directors duly recorded and signed by the Chairman, the decisions were unanimous and no dissenting views were required to be recorded.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period, the company has passed following Special Resolutions at the Annual General Meeting held on August 07, 2024 and through Postal ballot Notice dated March 19, 2024, August 8, 2024 and November 14, 2024 which are having major bearing on the Company's Affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc.

**A. Special Resolution passed at the Annual General Meeting:**

**Place:** Bengaluru  
**Date:** May 29, 2025

1. Issue of Non-Convertible Debentures on private placement basis.

**B. Special Resolution passed through Postal Ballot Notice:**

**a) Dated March 19, 2024:**

1. Adoption of new Articles of Association in place of existing Articles of Association of the Company.

**b) Dated August 8, 2024:**

1. Appointment of Mr. Subba Rao Amarthaluru (DIN:00082313) as an Independent Director of the Company.
2. Appointment of Mr. Gopal B. Hosur (DIN: 08884883) as an Independent Director of the Company

**c) Dated – November 14, 2024:**

1. Appointment of Mr. Nisanth M N (DIN: 10834675) as Deputy Managing Director of the Company.
2. Re-appointment of Ms. Srivathsala Kanchi Nandagopal (DIN: 06465469), as a Non-Executive Independent Director of the Company.

**Nagendra D. Rao**

Practising Company Secretary  
Membership No. FCS – 5553  
Certificate of Practice – 7731  
Peer Reviewed Unit  
Peer Review Certificate No.: 672/2020  
UDIN: F005553G000478905

# Annexure B

## Corporate Governance Compliance Certificate

To  
The Members,  
**Sobha Limited**,  
"Sobha", Sarjapur-Marathahalli,  
Outer Ring Road, Devarabisanahalli,  
Bellandur Post,  
Bengaluru - 560103.

I have examined the compliance of the conditions of Corporate Governance by **Sobha Limited** ('the Company') for the year ended on March 31, 2025, as stipulated under Regulations 17 to 27, clauses (a) to (m) (o) to (z) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. My examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Directors and the Management, **I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2025.**

I further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Place:** Bengaluru  
**Date:** May 29, 2025

**Nagendra D. Rao**  
Practising Company Secretary  
Membership No. FCS: 5553  
Certificate of Practice: 7731  
Peer Reviewed Unit  
Peer Review Certificate No.: 672/2020  
UDIN: F005553G000478872

# Annexure C

## Nomination and Remuneration Policy

The Board of Directors of Sobha Limited have constituted the Nomination, Remuneration and Governance Committee in accordance with the provisions of the Companies Act, 2013 and Listing Agreement entered into with the Stock Exchanges.

### I. TERMS OF REFERENCE OF THE COMMITTEE:

1. To identify, review, assess, recommend and lead the process for appointments of Executive, Non-Executive and Independent Directors to the Board and Committees thereof and to regularly review the structure, size and composition, balance of skills, knowledge and experience of the Board and Board Committees and make recommendations to the Board or, where appropriate, the relevant committee with regard to any adjustments that are deemed necessary.
2. To formulate criteria for evaluation of Independent Directors and the Board;
3. To evaluate the performance of the Chairman and other members of the Board on an annual basis and to monitor and evaluate the performance and effectiveness of the Board and Board Committees and the contribution of each director to the Company. The Committee shall also seek the views of executive directors on the performance of non-executive directors.
4. To devise a policy on Board diversity.
5. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
6. To make recommendations to the Board on the following matters:
  - Re-appointment of any executive and non-executive director at the conclusion of their specified term of office.
  - Re-election by members of any director who are liable to retire by rotation as per the Company's Articles of Association.
  - Any matters relating to the continuation in office of any director at any time.

7. To formulate a policy relating to the remuneration of directors, key managerial personnel and other employees.
8. To define and articulate the Company's overall corporate governance structures and to develop and recommend to the Board of Directors the Board's Corporate Governance Guidelines.
9. To receive reports, investigate, discuss and make recommendations in respect of breaches or suspected breaches of the Company's Code of Conduct.
10. To review and monitor the Company's policies and practices on compliance with legal and regulatory requirements and to develop, review and monitor the code of conduct applicable to employees and Directors.
11. To perform such functions as may be detailed in the Listing Agreement, Companies Act, 2013 and the relevant Rules made there under.

### II. DEFINITIONS:

#### 1. Key Managerial Personnel:

Key Managerial Personnel has the same meaning as ascribed to it under the Companies Act, 2013 as may be amended from time to time.

#### 2. Senior Management:

Senior Management has the same meaning as ascribed to it under the Code of Conduct of the Company as may be amended from time to time.

### III. POLICY ON APPOINTMENT AND REMOVAL OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT:

#### A. Eligibility or Criteria for Appointment:

##### Educational Qualification:

No person shall be eligible for appointment as a Director, Key Managerial Personnel and/or Senior Management Personnel unless he/she possesses at least a bachelors' degree in a recognized and relevant field. Educational qualification over and above the bachelors' degree, though not mandatory, shall be preferable. However, the requirement of

minimum educational qualification can be waived if the candidate showcases exceptional knowledge, talent, creativity and/or aptitude for the position.

#### **Experience:**

A person shall be eligible for appointment as a Director, Key Managerial Personnel and/or Senior Management Personnel if he/she possess adequate experience in the respective field(s). Between two candidates possessing same/similar educational qualification, the person with more experience will ordinarily be preferred. Experience in diverse fields will be given due weightage.

#### **Integrity:**

The person considered for appointment shall be a person of integrity and good standing. No person convicted of any offence involving moral turpitude shall be considered for appointment to post of a Director, Key Managerial Personnel and/or Senior Management.

#### **Age:**

A person shall not be considered for appointment to the post of a Whole-time Director of the Company if he/she has attained the age of seventy years.

#### **Independence:**

No person shall be appointed as an Independent Director of the Company unless he/she meets the criteria of independence as specified in the Companies Act, 2013 and Listing Agreement.

#### **Limits on Directorship:**

No person shall be appointed as a Whole-time Director/Independent Director of the Company unless such directorship is within the limits prescribed by law in this behalf.

#### **Limits on Committee Membership:**

The number of Chairmanship or membership of committees held by a person shall be within the limits prescribed by law in this behalf in order to be considered for appointment as a Whole-time Director/Independent Director of the Company.

### **B. Term of Office:**

#### **Whole-time Director:**

- i. The Whole-time Director(s) of the Company shall be appointed for a term not exceeding five years at a time.

- ii. The Whole-time Director(s) shall be eligible for re-appointment for further terms not exceeding five years at a time subject to the approval of members of the Company.
- iii. No such re-appointment shall be made earlier than one year before the expiry of the current term.

#### **Independent Director(s):**

- i. An Independent Director shall hold office for a term up to five consecutive years on the Board of Directors of the Company.
- ii. An Independent Director shall be eligible for re-appointment for another term up to five consecutive years on passing of a special resolution in this regard by the members of the Company.
- iii. No Independent Director shall hold office for more than two consecutive terms. An Independent Director shall be eligible for re-appointment after the expiry of three years of ceasing to be an Independent Director where he/she has served for two consecutive terms.

#### **Key Managerial Personnel and Senior Management:**

The term of office of Key Managerial Personnel and Senior Management of the Company shall be in accordance with the prevailing Human Resource policy of the Company.

### **C. Removal of Director, Key Managerial Personnel and Senior Management of the Company:**

The Committee shall recommend to the Board of Directors, the removal from office of, any Director, Key Managerial Personnel and/or Senior Management Personnel of the Company:

- i. Whenever a Director, Key Managerial Personnel and/or Senior Management Personnel of the Company incurs any disqualification specified under any applicable law which renders their position untenable.
- ii. Whenever a Director, Key Managerial Personnel and/or Senior Management Personnel of the Company is found guilty of violating the Code of Conduct, the Code of Conduct for Prevention of Insider Trading of the Company and/or such

other policy as may be decided by the Committee.

- iii. Whenever a Director, Key Managerial Personnel and/or Senior Management of the Company acts in a manner which is manifestly against the interests of the Company. In case of any proceedings under this sub-clause, the concerned Director, Key Managerial Personnel and/or Senior Management of the Company shall be given an opportunity of being heard by the Committee.

#### **IV. PERFORMANCE EVALUATION:**

- i. The performance evaluation of each director will be carried out by the Committee in the first instance. It shall place its recommendations before the Board of Directors.
- ii. The performance evaluation of Independent Directors shall be done by the entire Board of Directors (excluding the director being evaluated). It shall take into consideration the views of the Committee.
- iii. The Independent Directors shall review the performance of non-independent directors and the Board as a whole. The Independent Directors shall take into consideration the views of the Committee.
- iv. The Independent Directors shall review the performance of the Chairperson of the company, taking into account the views of the Committee, the executive directors and non-executive directors.

The Independent Directors of the Company are experts in their respective fields. They bring with them specialized skills, vast repertoire of knowledge and a wide diversity of experience and perspectives. In view of their significant expertise, the Independent Directors may recommend the mechanism for evaluating the performance of the Board as a whole as well as individual directors.

In lieu of such recommendation, the criteria for Performance Evaluation laid down below may be considered. However, the below mentioned criteria is only suggestive and the Board/Directors may consider such other criteria as they may deem necessary for effective evaluation of performance.

#### **Board of Directors:**

- i. Establishment of distinct performance objectives and comparison of performance against such objectives.
- ii. Contribution of the Board to the development of strategy.
- iii. Contribution of the Board in developing and ensuring robust and effective risk management system.
- iv. Response of the Board to problems or crises that have emerged.
- v. Suitability of matters being reserved for the Board under the Listing Agreement.
- vi. Relationship between the board and its main committees and between the committees themselves.
- vii. Communication of the Board with the management team, key managerial personnel and other employees.
- viii. Knowledge of latest developments in the regulatory environment and the market.
- ix. Appropriateness, quality and timeliness of flow of information to the Board.
- x. Adequacy and quality of feedback by the Board to management on its requirements.
- xi. Adequacy of frequency and length of board and committee meetings.
- xii. Appropriate mix of knowledge and skills in the composition of the board and its committees.

#### **Committees of the Board of Directors:**

- i. Suitability of matters being reserved for the Committee(s).
- ii. Communication of the Committee(s) with the management team, key managerial personnel and other employees.
- iii. Appropriateness, quality and timeliness of flow of information to the Committee(s).

- iv. Adequacy and quality of feedback by the Committee(s) to management on its requirements.
- v. Adequacy of frequency and length of the committee meetings.
- vi. Appropriate mix of knowledge and skills in the composition of the committees.

#### **Independent Directors:**

- i. Level of preparedness for the meetings of the Board and Committees.
- ii. Willingness to devote time and effort to understand the Company and its business.
- iii. Quality and value of their contributions at Board and Committees meetings.
- iv. Contribution of their knowledge and experience to the development of strategy of the Company.
- v. Effectiveness and pro-activeness in recording and following up their areas of concern.
- vi. Relationship with fellow board members, key managerial personnel and senior management.
- vii. Knowledge and understanding of current industry and market conditions.
- viii. Attendance at the meetings of the Board and Committees of which the Independent Director is a member.

#### **Whole-Time Director(s):**

- i. Contribution of the Whole-time Director in achieving the Business Plan of the Company.
- ii. Contribution of Whole-time Director in the development of new business ideas or verticals.
- iii. Contribution of Whole-time Director towards the topline and/or bottom line of the Company where such contribution is capable of measurement.
- iv. Contribution of Whole-time Director in implementing the strategy set by the Board of Directors of the Company.
- v. Knowledge and understanding of current industry and market conditions.

- vi. Contribution of Whole-time Director in identifying, understanding and mitigating the risks faced by the Company.
- vii. Contribution of Whole-time Director in identifying and exploiting new business opportunities for the Company.
- viii. Level of preparedness for the meetings of the Board and Committees.
- ix. Attendance at the meetings of the Board and Committees of which such Whole-time Director is a member.

### **V. POLICY RELATING TO THE REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT:**

#### **A. Remuneration Criteria:**

The guiding principle while determining the level and composition of remuneration is the competitiveness required to attract, retain and motivate competent personnel. While deciding the remuneration of Directors, Key Managerial Personnel and Senior Management, the following factors shall be taken into consideration:

- i. availability of talented, skilled and experienced professionals;
- ii. industry standards;
- iii. profitability of the Company and growth prospects.

#### **B. Payment of Remuneration:**

- i. The Committee shall recommend the payment of remuneration (including any revision thereof) to the Directors of the Company including the Independent Directors which shall be subject to the approval of the Board of Directors. It shall also be approved by the shareholders of the Company, wherever required.
- ii. The remuneration of Key Managerial Personnel and Senior Management Personnel shall be determined by the Company in accordance with the prevailing HR Policy of the Company.

### **C. Remuneration of Whole-time Directors, Key Managerial Personnel and Senior Management:**

#### **Basic Salary:**

Each Whole-time Director, Key Managerial Personnel and Senior Management personnel shall be paid a monthly remuneration. The monthly remuneration of Whole-time Director as recommended by the Committee shall be approved by the Board of Directors and also by the shareholders of the Company if required.

#### **Accommodation or House Rent Allowance:**

Each Whole-time Director shall be provided with rent-free furnished accommodation or up to a specified % of the basic salary as House Rent Allowance in lieu of accommodation. Key Managerial Personnel and Senior Management personnel shall be provided with a specified % of the basic salary as House Rent Allowance.

#### **Performance Incentives:**

Each Whole-time Director shall be eligible for performance incentives which shall not exceed a specified % of profits of the Company.

Key Managerial Personnel and Senior Management personnel shall be eligible for performance incentives as per the prevailing Human Resource policy of the Company in this regard. The incentive is linked to the performance of the Company in general and their individual performance is measured against specific Key Result Areas, which are aligned with the Company's objectives.

#### **Perquisites and Other Allowances:**

Each Whole-time Director, Key Managerial Personnel and Senior Management personnel shall be entitled to such perquisites, allowances, benefits, facilities and amenities as per the Human Resource policy of the Company in force or as may be approved by the Board from time to time.

### **D. Remuneration of Independent Directors:**

#### **Commission:**

Each Independent Director shall be paid remuneration by way of Commission as recommended by the Committee which shall be approved by the Board of Directors. Such Commission shall be within the overall limits approved by the shareholders of the Company.

#### **Sitting Fees:**

The Independent Director may receive remuneration by way of fees for attending the meetings of Board or Committee thereof as may be decided by the Board of Directors from time to time.

### **E. Limits on Remuneration:**

- i. The overall remuneration paid by the Company to the Directors including Independent Directors shall not exceed 11% of the net profits of the Company for that financial year.
- ii. The remuneration paid by the Company to all its whole-time directors shall not exceed 10% of the net profits of the Company for that financial year.
- iii. The remuneration paid by the Company to its Independent Directors (excluding sitting fees) shall not exceed 1% of the net profits of the Company for that financial year.
- iv. If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Directors, Managing Directors, any non-executive director including Independent Director in accordance with the provisions of Schedule V of the Companies Act, 2013. If the remuneration payable exceeds the limits laid down in Schedule V, then Company shall obtain the previous approval of the Shareholders by passing Special Resolution.
- v. Revision of existing remuneration may be recommended by the Committee to the Board which should be within the limits approved by the shareholders.

# Annexure D

## Annual Report on Corporate Social Responsibility ("CSR") Activities

### 1. BRIEF OUTLINE OF CSR POLICY

The Board of Directors upon the recommendation of the Corporate Social Responsibility Committee have identified the following areas listed in Schedule VII of the Companies Act, 2013 for carrying out its CSR activities:

- I. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- II. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- III. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- IV. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- V. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- VI. Measures for the benefit of armed forces veterans, war widows and their dependents [Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans and their; dependents including widows;
- VII. Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports;
- VIII. Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations

Fund (PM CARES Fund) or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;

- IX. A. Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and
- B. Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);
- X. Rural development projects;
- XI. Slum area development;
- XII. Disaster management, including relief, rehabilitation and reconstruction activities.
- XIII. Such other areas as may be included in Schedule VII of the Companies Act, 2013 from time to time.

The projects/programmes may be undertaken by an Implementation Agency or the Company directly provided that such projects/programmes are in line with the activities enumerated in Schedule VII of the Companies Act, 2013.

## 2. COMPOSITION OF CSR COMMITTEE

The Corporate Social Responsibility (CSR) Committee comprises of the following members:

Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR the committee attended during the year
Mrs. Srivathsala K N	(Chairperson) Non-Executive – Independent Director	4	4
Mr. Jagadish Nangineni	(Member) Executive – Managing Director	4	4
Mr. Anup Shah*	(Chairperson) Non-Executive – Independent Director	4	2
Mr. Gopal Bhimrao Hosur*	(Member) Non-Executive – Independent Director	4	2
Mr. Nisanth M N**	(Member) Executive – Deputy Managing Director	4	0

\* Mr. Anup Shah vacated the office of independent director due to completion of his terms and Mr. Gopal Bhimrao Hosur was appointed as independent director w.e.f. August 08, 2024. Accordingly, the Committee was reconstituted on August 08, 2024, and Mrs. Srivathsala K N became the Chairperson and Gopal Bhimrao Hosur became the member of the Committee.

\*\*The CSR Committee was re-constituted by the board at the Board Meeting held on February 06, 2025, and Mr. Nisanth M N was appointed as member of the CSR Committee w.e.f. February 06, 2025.

## 3. THE DETAILS OF CORPORATE SOCIAL RESPONSIBILITY POLICY, COMPOSITION OF CSR COMMITTEE AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY

The web-links are as follows:

- CSR Policy and Projects: <https://www.sobha.com/wp-content/uploads/2025/03/sobha-CSR-policy-v2.pdf>
- Composition of CSR Committee: <https://www.sobha.com/wp-content/uploads/2025/02/Committee-Composition.pdf>

## 4. PROVIDE THE EXECUTIVE SUMMARY ALONG WITH WEB-LINK(S) OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8, IF APPLICABLE

Not Applicable

5. (a) Average net profit of the company as per sub-section (5) of section 135: ₹ 1658.12 Million
- (b) Two percent of average net profit of the company as per sub-section (5) of section 135: ₹ 33.16 Million
- (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: NIL
- (d) Amount required to be set-off for the financial year, if any: NIL
- (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 33.16
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 80.88 Million
- (b) Amount spent in Administrative Overheads: ₹ 4.15 Million
- (c) Amount spent on Impact Assessment, if applicable: NA
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 85.03 Million

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (₹ in million)	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 85.03	-	-	-	-	-

(f) Excess amount for set-off, if any: **Nil**

Sl. No.	Particular	Amount (in ₹ Million)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	33.16
(ii)	Total amount spent for the Financial Year	85.03
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	-

## 7. DETAILS OF UNSPENT CORPORATE SOCIAL RESPONSIBILITY AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS

Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount Spent in The Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any (in ₹)	Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any (in ₹)
FY-2021-22	-	-	-	-	-	-
FY-2022-23	-	-	-	-	-	-
FY-2023-24	-	-	-	-	-	-

## 8. WHETHER ANY CAPITAL ASSETS HAVE BEEN CREATED OR ACQUIRED THROUGH CORPORATE SOCIAL RESPONSIBILITY AMOUNT SPENT IN THE FINANCIAL YEAR

**Yes**  **No**

If yes, enter the number of Capital assets created/acquired.

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Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/Authority/beneficiary of the registered owner		
					1	2	3
1	2	3	4	5	CSR Registration Number	Name	Registered Address
1	6 Printer (3 Canon Printer, Dotmatrix Printer, Printer - Brother DCP T20 and Asset label Printer)	678684	29-06-2024, 31-07-2024, 27-08-2024, 24,10,2024, 15-11-2024	3,56,906	CSR00003295	Sri Kurumba Educational and Charitable Trust	Sobha Hermitage, Building No. 455/19, Panniyankara P.O., Vadakkencherry, Palakkad Pincode – 678683
2	Commercial Tittling wet grinder	678684	28-10-2024	67,720	CSR00003295	Sri Kurumba Educational and Charitable Trust	Sobha Hermitage, Building No. 455/19, Panniyankara P.O., Vadakkencherry, Palakkad Pincode – 678683
3	2 Multipurpose Cupboard	678684	13-12-2024 and 17-01-2025	97,000	CSR00003295	Sri Kurumba Educational and Charitable Trust	Sobha Hermitage, Building No. 455/19, Panniyankara P.O., Vadakkencherry, Palakkad Pincode – 678683
4	ULV Fogger- Disinfector	678683	16-05-2024	26,320	CSR00003295	Sri Kurumba Educational and Charitable Trust	Sobha Hermitage, Building No. 455/19, Panniyankara P.O., Vadakkencherry, Palakkad Pincode – 678683
5	3 Laptop (2 Laptop Dell Inspiron and Laptop HP Victus)	678683	09-08-2024, 09-08-2024, 31-03-2025	1,94,250	CSR00003295	Sri Kurumba Educational and Charitable Trust	Sobha Hermitage, Building No. 455/19, Panniyankara P.O., Vadakkencherry, Palakkad Pincode – 678683
6	Immunology Analyser with Vit-D Test Kit	678683	09-08-2024	5,25,654	CSR00003295	Sri Kurumba Educational and Charitable Trust	Sobha Hermitage, Building No. 455/19, Panniyankara P.O., Vadakkencherry, Palakkad Pincode – 678683
7	Electrolyte Analyser	678683	31-08-2024	88,500	CSR00003295	Sri Kurumba Educational and Charitable Trust	Sobha Hermitage, Building No. 455/19, Panniyankara P.O., Vadakkencherry, Palakkad Pincode – 678683
8	CCTV Items	678683	30-09-2024	54954	CSR00003295	Sri Kurumba Educational and Charitable Trust	Sobha Hermitage, Building No. 455/19, Panniyankara P.O., Vadakkencherry, Palakkad Pincode – 678683
9	3 Air Conditioner	678683	01-01-2025, 09-08-2024, 01-02-2025	1,19,933	CSR00003295	Sri Kurumba Educational and Charitable Trust	Sobha Hermitage, Building No. 455/19, Panniyankara P.O., Vadakkencherry, Palakkad Pincode – 678683
10	Xray System	678683	28-02-2025	84,000	CSR00003295	Sri Kurumba Educational and Charitable Trust	Sobha Hermitage, Building No. 455/19, Panniyankara P.O., Vadakkencherry, Palakkad Pincode – 678683
11	Medicone Tray Blue	678683	28-02-2025	52,628	CSR00003295	Sri Kurumba Educational and Charitable Trust	Sobha Hermitage, Building No. 455/19, Panniyankara P.O., Vadakkencherry, Palakkad Pincode – 678683

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/Authority/beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number	Name	Registered Address
12	Computer accessories (3 Full assembled PV, Mouse, Keyboard, USB etc) 4 nos Each)	678683	02-12-2024, 29-06-2024, 02-12-2024, 29-06-2024, 25-02-2025. 13-03-2025	5,08,410	CSR00003295	Sri Kurumba Educational and Charitable Trust	Sobha Hermitage, Building No. 455/19, Panniyankara P.O., Vadakkencherry, Palakkad Pincode – 678683
13	Kitchen Utensils- SS Drum, Cooker, Laddle etc	678683	13-11-2024	45,350	CSR00003295	Sri Kurumba Educational and Charitable Trust	Sobha Hermitage, Building No. 455/19, Panniyankara P.O., Vadakkencherry, Palakkad Pincode – 678683
14	Stage Curtain and roller blinds	678683	30-04-2024	2,36,500	CSR00003295	Sri Kurumba Educational and Charitable Trust	Sobha Hermitage, Building No. 455/19, Panniyankara P.O., Vadakkencherry, Palakkad Pincode – 678683
15	Sobha Restoplus Coir Mattress and Rubberised coir Mattress with Protector	678683	06-06-2024, 29-06-2024	2,53,037	CSR00003295	Sri Kurumba Educational and Charitable Trust	Sobha Hermitage, Building No. 455/19, Panniyankara P.O., Vadakkencherry, Palakkad Pincode – 678683
16	Kitchen Utensils- SS Drum Vessels	678683	30-06-2024	46,879	CSR00003295	Sri Kurumba Educational and Charitable Trust	Sobha Hermitage, Building No. 455/19, Panniyankara P.O., Vadakkencherry, Palakkad Pincode – 678683
17	1HP Sewage Pump	678683	20-07-2024	15,500	CSR00003295	Sri Kurumba Educational and Charitable Trust	Sobha Hermitage, Building No. 455/19, Panniyankara P.O., Vadakkencherry, Palakkad Pincode – 678683
18	Cleaning Trolley starace	678683	27-07-2024	35,073	CSR00003295	Sri Kurumba Educational and Charitable Trust	Sobha Hermitage, Building No. 455/19, Panniyankara P.O., Vadakkencherry, Palakkad Pincode – 678683
19	Orient Wall Fan	678683	17-08-2024	26,036	CSR00003295	Sri Kurumba Educational and Charitable Trust	Sobha Hermitage, Building No. 455/19, Panniyankara P.O., Vadakkencherry, Palakkad Pincode – 678683
20	Furniture - Wardrope, study unit, shoe rack	678683	14-10-2024	7,66,732	CSR00003295	Sri Kurumba Educational and Charitable Trust	Sobha Hermitage, Building No. 455/19, Panniyankara P.O., Vadakkencherry, Palakkad Pincode – 678683
21	Fire Resistant Safe	678683	15-10-2024	1,16,900	CSR00003295	Sri Kurumba Educational and Charitable Trust	Sobha Hermitage, Building No. 455/19, Panniyankara P.O., Vadakkencherry, Palakkad Pincode – 678683
22	Commercial Tittling wet grinder	678683	18-10-2024	63,720	CSR00003295	Sri Kurumba Educational and Charitable Trust	Sobha Hermitage, Building No. 455/19, Panniyankara P.O., Vadakkencherry, Palakkad Pincode – 678683
23	Dish Wash Machine	678683	24-10-2024	3,32,900	CSR00003295	Sri Kurumba Educational and Charitable Trust	Sobha Hermitage, Building No. 455/19, Panniyankara P.O., Vadakkencherry, Palakkad Pincode – 678683

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/Authority/beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number	Name	Registered Address
24	Back office Chair, Chair for Hostel	678683	31-10-2024	71,154	CSR00003295	Sri Kurumba Educational and Charitable Trust	Sobha Hermitage, Building No. 455/19, Panniyankara P.O., Vadakkencherry, Palakkad Pincode – 678683
25	Steel Auto Retractable Kitchen wash station	678683	14-11-2024	49,230	CSR00003295	Sri Kurumba Educational and Charitable Trust	Sobha Hermitage, Building No. 455/19, Panniyankara P.O., Vadakkencherry, Palakkad Pincode – 678683
26	Janiter Shelf	678683	15-11-2024	49,400	CSR00003295	Sri Kurumba Educational and Charitable Trust	Sobha Hermitage, Building No. 455/19, Panniyankara P.O., Vadakkencherry, Palakkad Pincode – 678683
27	Fire Alarm System	678683	23-11-2024	1,43,724	CSR00003295	Sri Kurumba Educational and Charitable Trust	Sobha Hermitage, Building No. 455/19, Panniyankara P.O., Vadakkencherry, Palakkad Pincode – 678683
28	Utensils- Plate, Glass, Bowl	678683	30-11-2024	41,865	CSR00003295	Sri Kurumba Educational and Charitable Trust	Sobha Hermitage, Building No. 455/19, Panniyankara P.O., Vadakkencherry, Palakkad Pincode – 678683
29	Pressure Pump	678683	13-12-2024	83,223	CSR00003295	Sri Kurumba Educational and Charitable Trust	Sobha Hermitage, Building No. 455/19, Panniyankara P.O., Vadakkencherry, Palakkad Pincode – 678683
30	Vaccum Cleaner	678683	13-12-2024	94,537	CSR00003295	Sri Kurumba Educational and Charitable Trust	Sobha Hermitage, Building No. 455/19, Panniyankara P.O., Vadakkencherry, Palakkad Pincode – 678683
31	Scrubbing Machine	678683	13-12-2024	78,022	CSR00003295	Sri Kurumba Educational and Charitable Trust	Sobha Hermitage, Building No. 455/19, Panniyankara P.O., Vadakkencherry, Palakkad Pincode – 678683
32	Lift Modernisation	678683	24-07-2024	11,25,000	CSR00003295	Sri Kurumba Educational and Charitable Trust	Sobha Hermitage, Building No. 455/19, Panniyankara P.O., Vadakkencherry, Palakkad Pincode – 678683
33	Vehicle – Bolero, Tata Yodha, Spresso	678683	14-11-2024, 21-03-2025, 13-09-2024	27,74,545	CSR00003295	Sri Kurumba Educational and Charitable Trust	Sobha Hermitage, Building No. 455/19, Panniyankara P.O., Vadakkencherry, Palakkad Pincode – 678683

**9. SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PERCENT OF THE AVERAGE NET PROFIT AS PER SUBSECTION (5) OF SECTION 135**

Not Applicable

For and on behalf of the Board of Directors of  
**SOBHA Limited**

**Place:** Bengaluru  
**Date:** May 29, 2025

**Mrs. Srivathsala K N**  
Chairperson, CSR Committee

**Mr. Jagadish Nangineni**  
Member, CSR Committee

# Annexure E

## Remuneration Details of Directors and Employees

{Pursuant to section 134 of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014}

- i. Ratio of remuneration of each director to the median remuneration of the employees and percentage increase in remuneration of each director, CFO, CEO, CS or Manager if any in the Financial Year 2024-25.

Sl. No.	Name of Director/KMP	Designation	Ratio of Remuneration to Median Remuneration	% Increase in Remuneration Y-O-Y	Comparison of KMP remuneration against the Company's performance
1	Mr. Ravi PNC Menon	Chairman	NA	NA	The revenues increased by ₹ 9,798.34 million the Profit before Tax and Profit after Tax have increased by ₹ 853.91 million and ₹ 656.63 million respectively on a standalone basis.
2	Mr. Jagadish Nangineni	Managing Director	66.24	49.11	On a consolidated basis, the revenues increased by ₹ 9,448.77 million the Profit before Tax by ₹ 587.74 million and Profit after Tax by ₹ 455.73 million as compared to the previous financial year 2023-24.
3	Mr. Nisanth MN	Deputy Managing Director	5.06	NA	
4	Mr. R V S Rao	Independent Director	1.58	NA	
5	Mr. Subba Rao	Independent Director	2.70	NA	
6	Mr. Gopal Bhimrao	Independent Director	2.64	NA	
7	Ms. Srivathsala KN	Independent Director	4.35	1.82	
8	Mr. Raman Mangalorkar	Independent Director	4.39	3.68	
9	Mr. Anup Shah	Independent Director	1.64	NA	
10	Mr. Yogesh Bansal	Chief Financial Officer	23.08	33.28	
11	Mr. Bijan Kumar Dash	Company Secretary & Compliance Officer	11.17	NA	

Not applicable.

- ii. The median remuneration of employees during the financial year was ₹ **512,250** (Rupees Five Lakhs Twelve Thousand Two Fifty only).
- iii. The percentage increase in the median remuneration of employees in the financial year 2024-25 was **8.21%**.
- iv. The number of permanent employees on the rolls of the Company as on March 31, 2025, was **4,483** plus **22** consultants.
- v. The average increase in median remuneration during the financial year 2024-25 was **8.21%**. During the same period, the revenues has increased by ₹ 9,798.34 million the Profit before Tax and Profit after Tax have increased by 853.91 and 656.63 respectively on a standalone basis. On a consolidated basis, the revenues were increased by ₹ 9,448.77 million the Profit before Tax by ₹ 587.74 million and Profit after Tax by ₹ 455.73 million as compared to the previous financial year 2023-24.
- vi. Average percentile increase in the salaries of employees other than the managerial personnel during 2024-25 was **10.82%**. The percentile increase in managerial remuneration during the same period was **12.62%**. The percentile increase in managerial remuneration was on account of the fixed and variable component of remuneration payable to the managerial personnel as per the terms and conditions of their appointment.
- vii. The key parameters for any variable component of remuneration availed by the directors: The Whole-time Directors are entitled to receive a fixed salary comprising of basic salary, allowances and perquisites. They are also eligible for performance incentives up to a specified percentage or amount as the case may be. The break-up of the remuneration is provided in the Corporate Governance Report forming part of the Annual Report.
- viii. There was no employee whose remuneration was in excess of the remuneration of the highest paid director during the financial year.
- ix. The remuneration is as per the Nomination and Remuneration Policy formulated by the Nomination, Remuneration and Governance Committee and approved by the Board of Directors of the Company.

For and on behalf of the Board of Directors of  
**SOBHA Limited**

**Place:** Bengaluru  
**Date:** May 29, 2025

**Ravi PNC Menon**  
Chairman

**Jagadish Nangineni**  
Managing Director

# Annexure F

## Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

(Pursuant to section 134 of the Act and Rule 8(3) of the Companies (Accounts) Rules, 2014)

### A. CONSERVATION OF ENERGY

#### i. Steps taken or impact on conservation of energy

The Company has adopted the following energy conservation measures:

- a. Use of energy efficient lamps, control gears, ballast VFDs highly efficient motors and PV cells.
- b. Use of LED Light fixtures in the common areas of residential projects.
- c. Use of external street light fixtures with timers.
- d. Use of lighting software in the design stage of our projects.
- e. Use of motion sensors and occupancy sensors with electronic drivers.
- f. Use of best quality wires, cables, switches and low self-power loss breakers wherever essential.
- g. Following standard specifications like colour codes, independent neutral and earthing for each circuit to curb energy leakage.
- h. Use of low-loss electronic ballast.
- i. Selection of high efficiency transformers, DG sets and other equipment.
- j. Introduction of auto-correction power factor capacitor panels for common area loads.
- k. The use of separate energy meters for major common area loads so that power consumption can be monitored and efforts can be made to minimize the same.
- l. Use of energy efficient lifts with group control in residential projects.

#### ii. Steps taken by the Company for utilizing alternative sources of energy

- a. Provision of back-up solar power for common area lighting in residential projects.
- b. At Sobha corporate office, 80% of power wheeled from solar power plant.

- c. Sobha Glazing factory provided with 225kW and Sobha Interior factory provided with 750KW roof top solar power plant in view of utilizing alternate source of energy.
- d. More than 2.3 million units of solar power utilized across the Sobha facilities resulted in 1700 tons of carbon footprint saving.
- e. Use of heat pumps and solar water heaters instead of geysers to reduce power consumption.

#### iii. Capital investment on energy conservation equipment

The Company continues to make project level investments for reduction in consumption of energy. Capital investment on energy conservation equipment cannot be quantified.

### B. TECHNOLOGY ABSORPTION

#### i. Efforts made towards technology absorption

The Company uses German tools, waterproofing techniques and follows European standards in all its construction activities. Sobha uses both indigenous and imported technologies for implementation at all its projects. The Company has taken the following initiatives in the area of technology:

- a. Introduction of laser plummets for accurate marking.
- b. Introduction of "Scaff board" for safety of workforce who work at heights.
- c. Software for BBS to generate fast and accurate bar bending schedules.
- d. "Grab & Trolley" for block shifting.
- e. "Debris Crusher" for crushing & recycling the debris generated at the site.
- f. Instead of cast – in-situ coping for the terrace parapet and compound walls, precast methodology has been introduced and implemented.
- g. Adoption of power feeders for spindle machine instead of manual feeding.
- h. To optimize the manpower cost and for better productivity, we were experimented with some special simple tools such as wire stripper, portable drilling machine, that resulted excellent.

- i. Introduction of EV Charging points at some of the projects.
- j. For Water Treatment Plants, Dual Media Filter (combining sand and carbon media) is being used instead of a conventional sand filter, significantly improving water filtration quality.
- k. Sobha Windsor features a system to treat surface rainwater, enabling its use for domestic applications and reducing dependence on freshwater sources.
- l. At the Coorg Villa project, we've designed an ECO STP that operates without power, offering a sustainable and low-maintenance alternative.
- m. A new technology called Power Drain has been adopted in one of our projects to effectively manage and mitigate basement seepage.
- n. Integration of Inline GTs in basements has allowed for a more streamlined layout and additional landscaping area above.
- o. Use of FRP (Fibre Reinforced Plastic) manhole covers on Overhead Tanks enhances maintenance convenience and offers greater durability.
- p. Readymade polymer concrete drains are now being used at ramp entrances to improve aesthetics and ensure smoother user experience.
- q. Customized Ductile Iron (DI) gratings have been developed specifically for use in landscaped areas, ensuring both strength and design compatibility.

The Company derives benefits in the form of cost reduction, fewer customer complaints and better quality of the end products. The above initiations and implementations have been made after continuous market research - trial and testing for quality, durability and compatibility in consideration of cost and time for developing new systems and better technologies at par with international standards.

## ii. Imported Technology

No technology was imported by the Company during the last three financial years.

## iii. Expenditure incurred on Research and Development

The Company had carried out R&D in the following areas:

- a. Basement flooring – Upgradation from Epoxy to PU flooring.
- b. Basement expansion joint.
- c. Refabrication of aluminium form work materials.
- d. Alternate Vendors for the materials.
- e. Alternate system for the false ceiling in toilets.
- f. Chamber covers for external area.

### Benefits derived as a result of the above R&D

The benefits derived from the above ensure that the final product delivered by the Company conforms to international standards.

### Future plan of action

The success of R&D initiatives in the construction industry primarily depends on the selection of the right method of construction, type of machines and kind of materials. It also depends on integrating the planning and training process within the Company and it has to be understood as an ongoing process.

### Expenditure on R&D

The R & D activity of the Company forms part of project implementation and cannot be quantified.

## C. FOREIGN EXCHANGE EARNINGS AND OUTGO

**Total expenditure in foreign exchange:** ₹ 35.19 Million

**Total income in foreign exchange:** Nil

For and on behalf of the Board of Directors of  
**SOBHA Limited**

**Place:** Bengaluru  
**Date:** May 29, 2025

**Ravi PNC Menon**  
Chairman

**Jagadish Nangineni**  
Managing Director

# Corporate Governance Report

The Corporate Governance Report has been prepared in compliance with the requirements of Regulation 17 to 27 read with Schedule V and Clause (b) to (i) and (t) of Regulation 46(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“SEBI LODR Regulations”) as amended.

## COMPANY'S PHILOSOPHY

The cardinal principles such as independence, accountability, responsibility, transparency, fairness, trusteeship and disclosure serve as means for implementing the philosophy of Corporate Governance. The essence of Corporate Governance is about maintaining the right balance between economic, social, individual and community goals. The Company is focused on the enhancement of long-term value creation for all stakeholders without compromising on integrity, societal obligations, environment and regulatory compliances. For your Company, good corporate governance is a synonym for sound management, transparency and adequate disclosure, encompassing good corporate practices, procedures, standards and implicit rules which propel a company to take sound decisions. As a Company with a strong sense of values and commitment, SOBHA believes that profitability must go hand in hand with a sense of responsibility towards all stakeholders. This is an integral part of SOBHA's business philosophy.

The Company's commitment toward corporate governance principles has been reflected in three broad areas i) Ethics and Governance policies ii) Composition of its Board and Committees iii) Communication and disclosures to different stakeholders.

## Ethics/Governance Policies

Your company has adopted a set of policies and Codes and ensure the business of your company is carried out in line with its core value systems. Your Company strives to conduct the business and strengthen the relationship in a manner that is dignified, distinctive and responsible. Your Company adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with stakeholders. Therefore, your Company have adopted various codes and policies to carry out business in an ethical manner.

## Code of Conduct

In terms of Regulation 17 of the SEBI LODR Regulations, the Company has adopted a Code of Conduct for the Company's Board of Directors and senior management personnel. This code of conduct directs the Board Members and the Senior Management Personnel of the Company to ensure that:

1. The highest standards of integrity and honesty are promoted throughout the organization.
2. Protection of the assets of the Company.

3. Compliance with the existing laws and regulations affecting the business.
4. Maintain a climate whereby every personnel of the Company are valued and he contributes to fullest of his potential.
5. Creating value and wealth to all the stakeholders of the Company in long run.

The code is circulated to all the Directors and senior management personnel and their compliance is affirmed by them for the financial year 2024-25. The Code of Conduct adopted by the Company has been posted on its website.

## Code of Conduct for Prevention of Insider Trading

The Company has adopted a Policy for Prohibition of Insider Trading (“Policy/Code”) for Regulating, Monitoring and Reporting of Trades by Designated Persons (“the Code”) in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (The PIT Regulations).

The Company is having in place the required IT infrastructure for maintaining Digital Structural Database and for monitoring the insider trading activities as per the applicable Regulations of SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Policy is applicable to Promoters, Member of Promoter's Group, all Directors, designated persons and third parties such as auditors, consultants etc. who are expected to have access to unpublished price sensitive information relating to the Company.

The trading window of the Company is closed from the first day of every quarter and it opens after the 48 hours of the declaration of financial results and on occurrence of any material events as per the code. The Audit Committee of the company shall review compliance with the provisions of these regulations at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively. The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with the PIT Regulations. The company also has a whistle-blower policy to make employees aware of such policy to enable employees to report instances of leak of UPSI and a separate procedure for enquiry in case of leak of UPSI is also in place.

## Vigil Mechanism

A comprehensive vigil mechanism for employees to report any illegal, unethical behaviour, suspected fraud or violation of laws, rules and regulations or conduct to the Chief Vigilance Officer and the Audit Committee of the Board of Directors is in place in the Company. The mechanism adequately insulates whistle blowers against victimization or discriminatory practices. The Audit Committee at quarterly intervals review the cases, if any, registered under the vigil mechanism. No personnel have been denied access to the Audit Committee. The details of the policy can be accessed with the following link: <https://www.sobha.com/wp-content/uploads/2025/03/vigil-mechanism-v2.pdf>.

## Other Policies

Besides the above codes and policies, the Company also have below policies to regulate the affairs of the Company in a transparent manner. The members may also refer Directors Report and visit company website accessing the policies.

- Policy on Materiality of Related Party Transactions
- Corporate Social Responsibility Policy
- Nomination & Remuneration Policy
- Board Evaluation Framework
- Policy for Determining Material Subsidiaries
- Risk Management Policy
- Familiarization Program for Independent Directors
- Policy on Preservation of Documents
- Archival Policy
- Policy on Determination of Materiality of Events
- Dividend Distribution Policy
- Policy and procedure of inquiry in case of leak or suspected leak of UPSI
- Anti-Sexual Harassment – Safe work environment policy

## Subsidiary Monitoring Framework

The Company does not have any material subsidiary as defined under the SEBI LODR Regulations and the Material Subsidiary Policy of the Company. The Company monitors the performance of subsidiary companies, inter alia, by the following means:

- a. Financial statements, in particular investments made by the subsidiaries are reviewed by the Company's Audit Committee.

- b. Review of annual business plans and budgets.
- c. Review of budget versus actuals and an analysis of the variance.
- d. All the minutes of Board meetings of the subsidiaries are placed before the Company's Board regularly.
- e. A statement of all significant transactions and arrangements entered by the subsidiaries.

## Related Party Transactions

All transactions entered into with related parties as defined under the Act and Regulation 23 of the SEBI LODR Regulations, each as amended, during the year under review were on an arm's length price basis and in the ordinary course of business. These have been approved by the Audit Committee and by the shareholders of the Company, where required, in terms of provisions of the SEBI LODR Regulations. Certain transactions which were repetitive in nature were approved through omnibus route by the Audit Committee. The Company has not entered into any materially significant related party transaction that have potential conflict with the interest of the Company at large. The Policy on Related Party Transactions as approved by the Board of Directors from time to time is uploaded on the Company's website at <https://www.sobha.com/wp-content/uploads/2025/03/sobha-related-party-transaction-policy-v2.pdf>.

## BOARD AND COMMITTEES

### Board of Directors

The Board, as defined in Sobha Limited's Corporate Governance principles, has the responsibility of ensuring concord between shareholders' expectations, the Company's plans and the management's performance. The Board is also responsible for developing and approving the mission of the Company's business, its objectives, goals and the strategy for achieving these.

The Company meets the requirements of the SEBI LODR Regulations in terms of the composition of its Board. The strength of the Board as on March 31, 2025, was seven Directors. The Board is headed by the Non- Executive Chairman and comprises of eminent personalities with expertise in diverse fields. As on the date of this report, there are seven Directors (including one woman Independent Director) on the Board. The composition of the Board as on March 31, 2025 comprised four Non-Executive Independent Directors, one Non-executive Non-Independent Director and two Executive Director. The Company does not have any Nominee Director. Detailed profile of our Directors is available in our website <https://www.sobha.com/leadership/#leader>.

### Selection of New Directors and Board Membership Criteria

The Nomination, Remuneration and Governance Committee ('NRGC') formulates and recommends to the Board the appropriate qualifications, positive attributes, characteristics, skills and experience required for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience in business, government, education and public service. The Policy for appointment and removal of Directors and determining Directors' independence is available on our website at <https://www.sobha.com/wp-content/uploads/2025/03/sobha-code-of-conduct-v2.pdf>.

### Key Board Qualifications, Expertise and Attributes

The Members of the Board are committed to ensuring that the Board is in compliance with the highest standards of Corporate Governance. The table below summarises the key skills, expertise, competencies and attributes which are taken into consideration by the NRC while recommending appointment of Directors to the Board:

**As required under Schedule V of the SEBI LODR Regulations, the skills/expertise/competence of Board members are provided below:**

Name	Designation	Category	Skills/expertise/competence
Mr. Ravi PNC Menon	Chairman	Non-Executive	Business development, corporate strategy, expertise in construction and real estate development along with product delivery, project execution, quality control, technology advancement, process and information technology and customer satisfaction.
Mr. Jagadish Nangineni	Managing Director	Executive	Business development, corporate strategy, expertise in construction and real estate, consulting and technology.
Mr. Nisanth M N	Deputy Managing Director	Executive	Expertise in project execution, business development & strategy, Sales & Marketing, Customer relationship.
Ms. Srivathsala K N	Independent Director	Non-Executive	Expertise in finance and investment, Accounting, Business Strategy, Risk Management, Corporate governance.
Mr. Raman Mangalorkar	Independent Director	Non-Executive	Business Strategy, Finance & financial Management, accounts and assurance, Risk Management, Corporate governance.
Mr. Subba Rao Amarthaluru	Independent Director	Non-Executive	Business development, corporate strategy, corporate governance, finance & financial Management, accounts and assurance, risk management, merger acquisitions and joint venture, Environmental Social & Governance.
Mr. Gopal Bhimrao Hosur	Independent Director	Non-Executive	Leadership experience and expertise in areas relating to organizational skills, decision making, human resources & administration, crisis management, business transformation, Environmental Social & Governance.

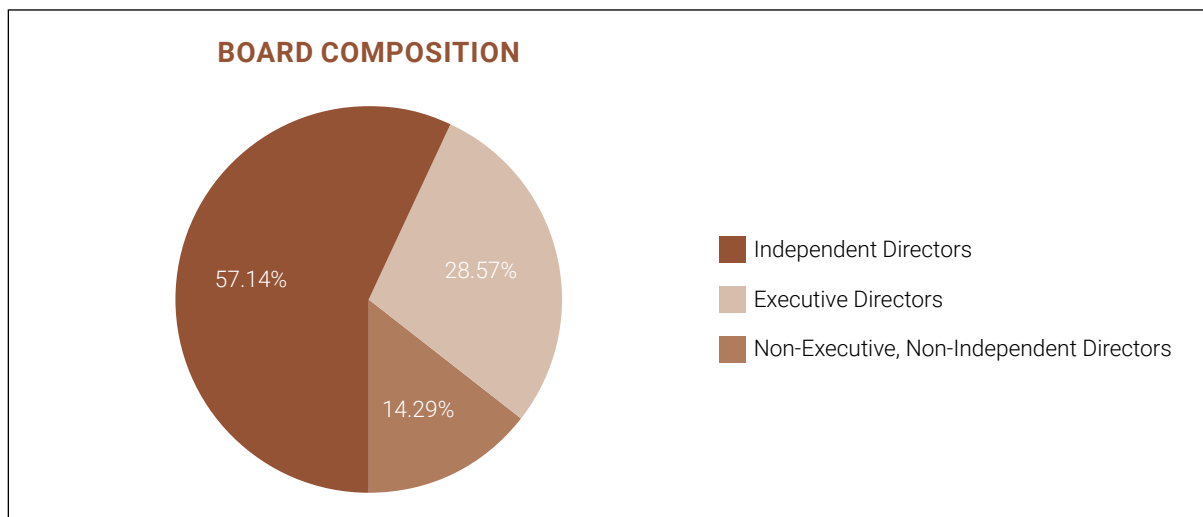
### Inter-se relationships among Directors

There are no inter-se relationship between our Board members.

### Composition of the Board

The composition of the Board of Directors satisfies the requirements of Regulation 17 of the SEBI LODR Regulations read with Section 149 of the Companies Act, 2013 and the rules made thereunder. As per the declarations received by the Company, none of the Directors are disqualified under Section 164(2) of Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014.

The Directors have made necessary disclosures stating that, they did not hold directorships in more than seven listed companies during the year 2024-25, pursuant to Regulation 17A of the SEBI LODR Regulations. Also, the membership of Directors in the committees (Audit Committee and the Stakeholders' Relationship Committee) does-not exceed more than 10 committees and/or are acting as chairpersons in not more than five committees in terms of Regulation 26 of the SEBI LODR Regulations.



The Company has obtained Directors and Officers' insurance ('D and O Insurance') for all its Directors of such quantum and for such risks as determined by its Board of Directors in accordance with Regulation 25 (10) of the SEBI LODR Regulations.

**Details of other directorships, committee memberships and chairmanships:**

None of the Directors hold directorship, committee memberships or chairmanships in excess of the limits permitted under the law. As per the declarations received from the Directors:

- a) None of the Directors on the Board is a Director in more than 7 listed entities;
- b) None of the Non-Executive Directors is an Independent Director in more than 7 listed entities;
- c) The Managing Director and the Executive Director do not serve as Independent Directors in any other listed company;
- d) None of the Directors held directorships in more than 20 Indian companies, with more than 10 public limited companies;
- e) None of the Directors on the Board is a member of more than 10 committees or Chairman of 5 committees (committees being Audit Committee and Stakeholders Relationship Committee) across all public companies in India, in which he/she is a Director.

The details of number of directorships or committee positions as a member or chairman held by the Directors of the Company in other public companies, along with the names of the listed entities where the person is a director indicating the category of such directorship as on March 31, 2025, are as under:

Name	Designation	Category	Date of appointment/ Re-appointment	Director ships*	Committee chairman - ships**	Committee member - ships**	Names of the Listed Entities including this Listed entity where the person is a director and category of directorship
Mr. Ravi PNC Menon	Chairman	Non-Executive	June 08, 2004	1 listed entity	-	1	Sobha Limited Non-Executive Non-Independent Director
Mr. Jagadish Nangineni	Managing Director	Executive	April 1, 2022	5 (1 listed entity)	-	2	Sobha Limited Managing Director
Mr. Nisanth M N	Deputy Managing Director	Executive	January 01, 2025	8 (1 listed entity)	-	0	Sobha Limited Deputy Managing Director
Ms. Srivathsala K N	Independent Director	Non-Executive	January 3, 2025	10 (1 listed entity)	3	4	Sobha Limited Non-Executive Independent Director
Mr. Raman Mangalorkar	Independent Director	Non-Executive	April 1, 2022	3 (1 listed entity)	1	2	Sobha Limited Non-Executive Independent Director
Mr. Subba Rao Amarthaluru	Independent Director	Non-Executive	August 08, 2024	7 (3 listed entity)	3	8	1. Sobha Limited 2. GMR Airports Limited 3. Linde India Limited Non-Executive Independent Director
Mr. Gopal Bhimrao Hosur	Independent Director	Non-Executive	August 08, 2024	2 (2 listed entity)	0	2	1. Sobha Limited 2. Dwarikesh Sugar Industries Limited Non-Executive Independent Director

\* Includes directorship in both public (listed and unlisted) and private limited companies.

\*\*Includes memberships/chairmanships of only the Audit Committee and Stakeholders' Relationship Committee of all Public companies.

### Appointment, Re-appointment of Directors

In terms of Section 152 of the Companies Act, 2013, not less than two-third of the total number of Directors of a public company shall be liable to retire by rotation and one-third of such Directors shall retire every year. Further, Independent Directors shall not be liable to retire by rotation.

Accordingly, Mr. Jagadish Nangineni, Managing Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself

for the re-appointment. The Board has recommended the re-appointment of Mr. Jagadish Nangineni, as Director liable to retire by rotation.

### Changes to the Board during 2024-25

1. As per the terms and conditions of appointment, Mr. RVS Rao and Mr. Anup S Shah completed their second term as an Independent Directors and vacated the office of Independent Directors with effect from August 08, 2024.

2. Mr. Subba Rao Amarthaluru and Mr. Gopal B Hosur were appointed as an Independent Directors with effect from August 08, 2024.
3. Mr. Nisanth M N was appointed as an Executive Director designated as Deputy Managing Director with effect from January 01, 2025.
4. Ms. Srivathsala K N was re-appointed as an Independent Director with effect from January 01, 2025 for a further term of five years.

**Certificate pursuant to Regulation 34(3) and Schedule V, Para C, Clause (10)(i) of the SEBI LODR Regulations.**

A certificate issued by Mr. Nagendra D Rao, Company Secretary in practice stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority forms part of this report as **Annexure A**.

**Familiarization Programmes**

The familiarization programmes for Independent Directors are bifurcated into:

**I. Initial or Preliminary**

During their appointment, Independent Directors are apprised of their roles, duties and responsibilities in the Company. A detailed letter containing the Company's expectations, the rights, powers, responsibilities and liabilities of the Independent Directors and the policies of the Company are issued to the Independent Directors during their appointment. The Independent Directors are required to adhere to these.

**II. Continual or Ongoing**

Updates on the affairs of the Company including operational and financial details are provided to the Independent Directors on a quarterly basis. Further, immediate updates on significant issues, if any, are provided to all the Directors immediately on the occurrence of such an event. Periodical presentations are made to the Independent Directors on the Company's strategies and business plans. The Independent Directors are also regularly informed about material regulatory and statutory updates affecting the Company.

Details of the familiarization programmes imparted to the Independent Directors are given on the Company's website at <https://www.sobha.com/wp-content/uploads/2025/04/familiarization-program-2024-25.pdf>.

**Directors' Compensation**

The Board of Directors, basis recommendations of the Nomination, Remuneration and Governance Committee, is responsible for the appointment and re-appointment of Directors and determining their remuneration subject to approval by the shareholders at the General Meeting/through postal ballot. Remunerations for the Board of Directors are approved by the shareholders and disclosed separately in the Notes to Accounts. As on March 31, 2025, the Company had two Executive/Whole-time Directors. Remuneration for Whole-time Director(s) consists of a fixed salary and/or performance incentive/commission on the consolidated profits earned by the Company. The Executive Directors of the Company is not entitled to sitting fees for attending Board or Committee meetings.

The Company has an eminent pool of Independent Directors who, with their expertise and diverse experience, contribute to the development of the Company's strategies. The Independent Directors meet the criteria defined under the Companies Act, 2013 and the SEBI LODR Regulations. Apart from receiving the Director's remuneration/sitting fees, Independent Directors do not have any material pecuniary relationships or transactions with the Company, its promoters, its management or its subsidiaries and associate companies except to the extent permitted under the applicable laws, which in the opinion of the Board may affect the independence of their judgement.

The Directors, being experts in their respective fields such as Finance (Banking, Accounts, Audits), Technical (Civil Engineering etc.), Administration, Management, Retails Business and Legal (Real Estate), are able to contribute effectively to Company's overall performance.

Pursuant to Section 197 of the Companies Act, 2013, a Director who is neither in whole-time employment of the Company nor a Managing Director may be paid remuneration, subject to the approval of the shareholders. The members of the Company at the 29<sup>th</sup> Annual General Meeting held on August 7, 2024, approved paying remuneration to Non-Executive Directors at a rate not exceeding one per cent per annum of the net profits of the Company for a period of five years commencing from April 01, 2024.

The following are remuneration paid/payable to the Directors and the details of the shares held by the Directors for financial year 2024-25:

Name	salary (in ₹)	Perquisites (in ₹)	Contribution to Provident Fund (in ₹)	Commission/ Incentive (in ₹)	Sitting fees (in ₹)	Total (in ₹)	Shares Held
Mr. Ravi PNC Menon	-	-	-	-	-	-	3,596,301
Mr. Jagadish Nangineni	15,251,095	39,600	21,600	18,620,000	-	33,932,295	1,305
Mr. Nisanth M N	2,586,600	-	5,400	-	-	2,592,000	197
Ms. Srivathsala K N	-	-	-	2,000,000	230,000	2,230,000	-
Mr. Raman Mangalorkar	-	-	-	2,000,000	250,000	2,250,000	1,141
Mr. Subba Rao Amarthaluru	-	-	-	1,293,151	90,000	1,383,151	-
Mr. Gopal Bhimrao Hosur	-	-	-	1,293,151	60,000	1,353,151	-
Mr. RVS Rao	-	-	-	712,329	100,000	812,329	-
Mr. Anup S Shah	-	-	-	712,329	130,000	842,329	-

**Notes:**

- None of the Executive Directors are eligible for payment of any severance fees and the contracts with Executive Directors may be terminated by either party giving the other party three months' notice in accordance with terms of appointment.
- The Company does not have any stock options plan. Accordingly, none of our directors hold stock options as on March 31, 2025.
- The Company has not issued any convertible instruments. Accordingly, none of our directors hold any convertible instruments as on March 31, 2025.

**Board Meetings**

**Agenda for the Meetings and Information Furnished to the Board**

The agenda for the meetings is arranged by the Company Secretary in consultation with the Chairman and Managing Director. The agenda along with detailed notes and necessary supporting documents are circulated to the Directors within the timelines prescribed by the regulations. The Company provides a separate window for meetings of Independent Directors and facilitates independent consultations with the Statutory Auditors and Internal Auditors of the Company, if necessary. The Company also has a well-defined process in place for placing vital and sufficient information before the Board.

All items mentioned under Regulation 17(7) read with Part A of Schedule II to the SEBI LODR Regulations are covered to the fullest extent. Extensive information and presentations are made to the Board on the following matters among others:

- Minutes of meetings of audit committee and other committees of the board of directors.
- Annual operating/business plans, budgets and any updates.
- Capital budgets and any updates.
- Operational performance of the Company, a comparison of the budget with the actuals.
- Financial analysis of the performance with a ratio analysis.
- Quarterly Unaudited and Annual Audited Financial Results of the Company and its operating division or business segments.
- Cash flows with a focus on financial obligations, timelines for payment of credit facilities and interest.
- Financial statements and minutes of subsidiary companies.
- Joint ventures, collaborations and acquisitions undertaken by the Company.
- Transactions that involve substantial payments towards goodwill, brand equity or intellectual property.

- Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movements, if material.
- Information on recruitment and remuneration of senior officers just below the Board level including appointment or removal of the Chief Financial Officer and Company Secretary.
- Show cause, demand, persecution notices and penalty notices which are materially important.
- Non-compliance with any regulatory, statutory or listing requirements and shareholders' services such as non-payment of dividend and delay in share transfers etc.
- Sale of investments, subsidiaries and assets which are material in nature and not in the normal course of business.
- Any issue, which involves possible public or product liability claims of a substantial nature, including any judgement or order which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that may have negative implications for the Company.
- Significant labour problems and their proposed solutions. Any significant developments on the human resources/industrial relations front, such as signing of wage agreements and the implementation of the Voluntary Retirement Scheme etc.
- Presentations covering sales, delivery, finance, compliance and risk management practices.
- The Company's safety performance including a report on serious and fatal accidents, dangerous occurrences, any material effluent or pollution problems.
- Material litigations by and against the Company.
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
- Report on the Corporate Social Responsibility (CSR) activities of the Company.
- Key regulatory updates and their impact on the Company.
- Minutes of the meetings of the Board of Directors of the subsidiaries.
- Other such information as may be required by law or otherwise to be placed before the Board.

The Board has the responsibility of monitoring the Company's progress towards achieving its goals and revising and altering its direction in light of changing circumstances. Board meetings are scheduled as required under the SEBI LODR Regulations, the Companies Act, 2013 and the Rules made thereunder and as required under business exigencies. At every quarterly scheduled meeting, the Board reviews recent developments, if any, the regulatory compliance position and proposals for business growth that impact the Company's strategy.

The Board meetings are usually held at the Company's Registered and Corporate Office or other locations at Bengaluru or through VC/OVAM, as permitted by the regulations.

The Company, as required by the regulations, convened minimum four meetings of its Board of Directors every year and the maximum time gap between any two meetings was not more than 120 days.

### Attendance of the Board of Directors

Details of the dates of Board meetings, Directors' attendance in Board meetings and the previous Annual General Meeting are as follows:

Director	May 17, 2024	June 12, 2024	August 08, 2024	November 14, 2024	February 06, 2025	March 13, 2025	AGM August 07, 2024
Mr. Ravi PNC Menon	✓	✓	✓	✓	✓	✓	✓
Mr. Jagadish Nangineni	✓	✓	✓	✓	✓	✓	✓
Mr. R V S Rao*	✓	✓	✓	X	X	X	✓
Mr. Anup S Shah*	✓	✓	✓	X	X	X	✓
Ms. Srivathsala K N	✓	✓	✓	✓	✓	✓	✓
Mr. Raman Mangalorkar	✓	✓	✓	✓	✓	✓	✓

Director	May 17, 2024	June 12, 2024	August 08, 2024	November 14, 2024	February 06, 2025	March 13, 2025	AGM August 07, 2024
Mr. Subba Rao Amarthaluru**	X	X	X	✓	✓	✓	X
Mr. Gopal Bhimrao Hosur**	X	X	X	✓	✓	✓	X
Mr. Nisanth M N ***	X	X	X	X	✓	✓	X

\*Mr. RVS Rao and Mr. Anup S Shah vacated the office of Independent Directors due to completion of terms with effect from August 08, 2024.

\*\*Mr. Subba Rao Amarthaluru and Mr. Gopal B Hosur were appointed as Independent Directors with effect from August 08, 2024.

\*\*\*Mr. Nisanth M N was appointed as an Executive Director designated as Deputy Managing Director with effect from January 01, 2025.

### Annual performance evaluation

As per the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, as amended from time to time the NRGC laid down criteria for performance evaluation of individual director(s), the board and its committee(s). Accordingly, an annual evaluation was carried out for the Board's performance, its Committees and individual director(s). The Board performance evaluation is carried out through a structured questionnaire which provides a clear and valuable feedback for Board effectiveness and highlighting areas for further development.

### Resolutions Passed by Circulation

During the financial year 2024-25, the Stakeholders Relationship Committee has passed a circular resolution on June 07, 2024.

### Independent directors and their meeting

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI LODR Regulations and Section 149(6) of the Act along with rules framed thereunder. The Board includes four Independent Directors, including a woman director.

In accordance with Section 149 read with Schedule IV of the Act and Regulation 25(3) of the SEBI LODR Regulations, the Independent Directors of the Company met on March 13, 2025 without the presence of Non-Independent Directors of the Company and members of the management. The meeting was attended by all the Independent Directors and Mr. Raman Mangalorkar, Independent Director, chaired the said meeting.

At the aforesaid meeting, the Independent Directors:

- reviewed the performance of Non-Independent Directors and the Board of Directors as a whole;

- reviewed the performance of the Chairman of the Company, considering the views of Executive Directors and Non-Executive Directors;
- assessed the quality, quantity and timeliness of flow of information between the Management and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

The Independent Directors appreciated the effort of management to bring overall improvement across organizations including the corporate governance standards.

### Confirmation by the board that the independent directors fulfill the conditions specified in listing regulations, and are independent of the management

The Company has received declarations on criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI LODR Regulations from all the Independent Directors of the Company as on 31 March 2025. In the opinion of the Board, the Independent Directors fulfill the conditions specified in the SEBI LODR Regulations and are independent of the management.

Further, in terms of Regulation 25(8) of the SEBI LODR Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may reasonably be anticipated that could impair or impact their ability to discharge their duties.

The Independent Directors have in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs and that their registration is active.

**Detailed reasons for the resignation of an independent director who resigns before the expiry of his/her tenure along with a confirmation by such director that there are no other material reasons other than those provided**

During the year under review, none of the Independent Directors resigned from the Company before the expiry of his/her tenure.

**Compliances Related to Board/Committee Meetings**

The Company is in compliance with the provisions of the SEBI LODR Regulations pertaining to the intimation of notice of Board Meeting, publication of the results and outcome of the meeting etc. The information is also made available to the investors on the Company's website, i.e., [www.sobha.com](http://www.sobha.com).

**COMMITTEES OF THE BOARD OF DIRECTORS**

As required under the Companies Act, 2013 and SEBI LODR Regulations and to cater to specific matters, the Board of Directors has constituted various committees as detailed below, which are entrusted with such powers and functions as detailed in their terms of reference:

1. Audit Committee
2. Stakeholders' Relationship Committee
3. Nomination, Remuneration and Governance Committee
4. Corporate Social Responsibility Committee
5. Risk Management Committee
6. Rights Issue Committee

**1. Audit Committee**

The Audit Committee supports the Board by overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with legal and regulatory requirements. It ensures objectivity, credibility and correctness of the Company's financial reporting and disclosure processes, internal controls, risk management policies and processes, tax policies and compliance and legal requirements and associated matters.

As required under Section 177 of the Companies Act, 2013, the Audit Committee should comprise of at least three Directors with Independent Directors forming the majority. As per Regulation 18 of the SEBI LODR Regulations, the Committee should comprise of at least three directors as members of which at least two-third should be independent. As on March 31, 2025 the Audit Committee

of the Company had four members, out of which, three were Independent Directors.

The powers, roles and terms of reference of the committee are in consonance with the requirements under Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI LODR Regulations.

**Terms of Reference**

- Regular review of accounts, accounting policies, financial and risk management policies, disclosures, etc.
- Review of major accounting entries based on exercise of judgement by a management and review of significant adjustments arising out of the audit.
- Oversight of the listed entity's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Review of qualifications in the Draft Audit Report and suggesting action points.
- Establishing and reviewing the scope of the Independent Audit including the observations of the auditors and a review of the quarterly, half-yearly and annual financial statements before submission to the Board.
- The committee shall have post-audit discussions with the Independent Auditors to ascertain any areas of concern.
- Establishing the scope and frequency of the internal audit, reviewing the findings of the Internal Auditors and ensuring the adequacy of internal control systems.
- Reviewing and monitoring the auditors' independence and the performance and effectiveness of the audit process.
- To look into reasons for substantial defaults in payments to depositors, debenture holders, shareholders and creditors.
- To look into matters pertaining to the Director's Responsibility Statement with respect to compliance with accounting standards and accounting policies.
- Appointment, remuneration and terms of appointment of Statutory and Internal Auditors and approval of payment to Statutory Auditors for any other services rendered by them.

- Compliance with the stock exchange's legal requirements concerning financial statements to the extent applicable.
- Reviewing the adequacy of the internal audit function, if any, including the structure of the Internal Audit Department, staffing and seniority of the officer heading the department, reporting structure, coverage and frequency of internal audits.
- Discussions with Internal Auditors on any significant findings and follow ups thereon.
- Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularities or a failure of the internal control systems of a material nature and reporting the matter to the Board.
- Approving the appointment of the Chief Financial Officer after assessing the candidate's qualifications, experience and background.
- The committee shall look into any related party transactions, that is, the Company's transactions of a material nature with promoters or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interests of the Company at large, including approval or any subsequent modifications of such transactions.
- Scrutiny of inter-corporate loans and investments.
- Valuation of the Company's undertakings or assets, wherever necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing the functioning of the vigil mechanism.
- Monitoring the end use of funds raised through public offers and related matters.
- Reviewing the utilization of loans and/or advances from/investments by the holding company in the subsidiary exceeding ₹ 100 crore or 10 per cent of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision.
- Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended by the Audit Committee.

### **Powers of the Audit Committee**

- Investigating any activity within its terms of reference.
- Seeking information from any employee.
- Obtaining outside legal or other professional advice.
- Securing attendance of outsiders with relevant expertise, if it considers necessary.

### **Review of Information by the Audit Committee**

- Management discussions and analysis of the financial condition and results of operations.
- Financial statements and the Draft Audit Report, including quarterly/half-yearly financial information.
- Reports relating to compliance with laws and risk management.
- Records of related party transactions and a statement of significant related party transactions submitted by the management.
- Management letters/letters of weaknesses in internal control issued by Statutory/Internal Auditors.
- Internal audit reports related to weaknesses in internal controls.
- The appointment, removal and terms of remuneration of the head of the internal audit function.
- Statement of deviations:
  - > Quarterly statements of deviations including the report of the monitoring agency, if applicable, submitted to the stock exchange in terms of Regulation 32(1) of the SEBI LODR Regulations.
  - > Annual statement of funds used for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI LODR Regulations.

As required under Regulation 18 of the SEBI LODR Regulations, the Chairman of the Audit Committee is an Independent Director. All members are financially literate and have financial management expertise. The Company Secretary and Compliance Officer of the Company, acts as the Secretary to the Committee.

### **Meetings**

The quorum for audit committee meeting is either two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.

The Audit Committee met Five times during the financial year 2024-25. There was no gap of more than 120 days between two meetings. The dates of meeting, composition and attendance of the members of the Audit Committee are as follows:

Name	Category	Designation	Audit Committee Meetings				
			May 17, 2024	August 08, 2024	November 14, 2024	February 06, 2025	March 13, 2025
Mr. Raman Mangalorkar	Chairman	Non-Executive Independent Director	✓	✓	✓	✓	✓
Mr. Jagadish Nangineni	Member	Managing Director	✓	✓	✓	✓	✓
Mrs. Srivathsala K N	Member	Non-Executive Independent Director	✓	✓	✓	✓	✓
Mr. RVS Rao*	Member	Non-Executive Independent Director	✓	✓	X	X	X
Mr. Subba Rao Amarthaluru*	Member	Non-Executive Independent Director	X	X	✓	✓	✓

\*Mr. RVS Rao vacated the office of an Independent Director due to completion of terms and Mr. Subba Rao Amarthaluru was appointed as an Independent Director w.e.f August 08, 2024. Accordingly, the Committee was reconstituted on August 08, 2024.

### Invitees

The Chairman of the Board, the Chief Financial Officer, Head of Internal Audit and the Statutory Auditors attended all the Audit Committee meetings held during Financial Year 2024-25 as invitees.

## 2. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee of the Board of Directors deals with stakeholder relations and share/debenture holders' grievances including matters related to non-receipt of the Annual Report, non-receipt of the declared dividend and other such issues as may be raised by them from time to time. It ensures that investor grievances/complaints/queries are redressed in a timely manner and to the satisfaction of the investors. The committee oversees the performance of the Registrar and Share Transfer Agents of the Company relating to investor services.

In accordance with Regulation 20 of the SEBI LODR Regulations read with Section 178 of the Companies Act, 2013, the committee comprises of four Directors. The Chairman of the Committee, Ms. Srivathsala K N, is a Non-Executive Independent Director. The Company Secretary and Compliance Officer of the Company acted as the Secretary to the committee.

The terms of reference of the committee are in consonance with the requirements mandated under Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI LODR Regulations.

### Terms of Reference

- Resolving the grievances of security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of Annual Report, non-receipt of declared dividends, issue of new/duplicate certificates and general meetings.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity with respect to various services being rendered by the Registrar and Share Transfer Agents and recommend methods to upgrade the service standards adopted by the Company.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- Oversee and review all matters connected with transfer and transmission of shares and approve the same.
- To look into requests for the re-materialization of shares.
- To approve issue duplicate share certificates in lieu of original share certificates.

- To issue split share certificates as requested by a member.
- To take all such steps as may be necessary in connection with the transfer, transmission, splitting, and issuing of duplicate share certificates in lieu of original share certificates.
- Oversee the performance of the Company's Registrars and Transfer Agents;
- Monitor implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading;
- Carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable;

#### Compliance Officer

Mr. Bijan Kumar Dash, Company Secretary & Compliance Officer, is the Compliance Officer for complying with requirements of securities laws.

### Meetings

The quorum for the committee's meeting is any two members present for the meeting.

The Stakeholders' Relationship Committee met four times during financial year 2024-25. The dates of the meeting, composition and attendance of the members of the Stakeholders' Relationship Committee are:

Name	Category	Designation	Stakeholders' Relationship Committee's Meetings			
			May 13, 2024	August 08, 2024	November 14, 2024	February 06, 2025
Ms. Srivathsala K N	Chairman	Non-Executive Independent Director	✓	✓	✓	✓
Mr. Ravi PNC Menon	Member	Non-Executive Non Independent Director	✓	✓	✓	✓
Mr. Jagadish Nangineni	Member	Managing Director	✓	✓	✓	✓
Mr. Raman Mangalorkar	Member	Non-Executive Independent Director	✓	✓	✓	✓

### Investor Grievances and Complaints

The queries received and resolved to the satisfaction of the investors during financial year 2024-25 are:

Particulars	Balance as on April 01, 2024	Received during the year	Resolved during the year	Balance as on March 31, 2025
SEBI SCORES Websites	-	6	6	-
Registrar of Companies	-	-	-	-
Stock Exchange	-	-	-	-
Non-Receipt/Revalidation of Dividend Warrants	-	10	10	-
Miscellaneous	-	13	13	-
<b>Total</b>	<b>-</b>	<b>29</b>	<b>29</b>	<b>-</b>

### 3. Nomination, Remuneration, and Governance Committee

The Nomination, Remuneration and Governance Committee of the Board of Directors recommends the nomination of Directors, key managerial personnel and senior management of the Company and carries out an evaluation of the performance of Individual Directors, recommends the remuneration policy for Directors, key managerial personnel and other employees, recommends to the Board all remunerations, in whatever form, payable to the senior management and also deals with the Company's governance related matters.

## Terms of Reference

- To identify, review, assess, recommend and lead the process for appointment of Executive, Non-Executive and Independent Directors to the Board and Committees thereof and to regularly review the structure, size and composition, balance of skills, knowledge and experience of the Board and the Board's committees and make recommendations to the Board or, where appropriate, to the relevant committee with regard to any adjustments that are deemed necessary.
- To formulate criteria for evaluating Independent Directors and the Board of Directors.
- To evaluate the performance of the Chairman and other members of the Board on an annual basis and to monitor, evaluate the performance and effectiveness of the Board and the Board's committees and the contribution of each Director to the Company. The committee shall also seek the views of Executive Directors on the performance of Non-Executive Directors.
- Whether to extend or continue the terms of appointment of Independent Directors on the basis of a report of their performance evaluation.
- To devise a policy for the Board's diversity.
- To identify persons who are qualified to become directors and who may be appointed in senior management positions in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- To recommend to the Board all remuneration, in whatever form, payable to Board members and key managerial personnel.
- To make recommendations to the Board on the following matters:
  - > Re-appointment of any Executive and Non-Executive Director at the conclusion of his/her specified term of office.
  - > Re-election by members of any Director who is liable to retire by rotation as per the Company's Articles of Association.
  - > Any matters relating to the continuation in office of any Director at any time.
- To formulate a policy relating to the remuneration for the Directors, key managerial personnel and other employees.
- To define and articulate the Company's overall Corporate Governance structure and to develop and recommend to the Board of Directors the Board's Corporate Governance Guidelines.
- To receive reports, investigate, discuss and make recommendations with respect to breaches or suspected breaches of the Company's Code of Conduct.
- To review and monitor the Company's policies and practices on compliance with legal and regulatory requirements and to develop, review and monitor the Code of Conduct and Compliance Manual applicable to employees and Directors.
- Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such a committee.

## Meetings

The quorum for a meeting is either two members or one-third of the members of the committee, whichever is greater, including at least one Independent Director being present for the meeting.

The Nomination, Remuneration and Governance Committee met four times during financial year 2024-25. The dates of the meeting, composition and attendance of the members of the Nomination, Remuneration and Governance Committee are as follows:

Name	Category	Designation	Nomination, Remuneration and Governance Committee's Meetings			
			May 17, 2024	August 08, 2024	November 14, 2024	March 13, 2025
Mr. Raman Mangalorkar	Chairman	Non-Executive Independent Director	✓	✓	✓	✓
Ms. Srivathsala K N	Member	Non-Executive Independent Director	✓	✓	✓	✓
Mr. Ravi PNC Menon	Member	Non-Executive Non-Independent Chairman	✓	✓	✓	✓

Name	Category	Designation	Nomination, Remuneration and Governance Committee's Meetings			
			May 17, 2024	August 08, 2024	November 14, 2024	March 13, 2025
Mr. Anup S Shah*	Member	Non-Executive Independent Director	✓	✓	X	X
Mr. Subba Rao Amarthaluru*	Member	Non-Executive Independent Director	X	X	✓	✓

\* Mr. Anup S Shah vacated the office of Independent Director due to completion of terms and Mr. Subba Rao Amarthaluru was appointed as an Independent Director w.e.f August 08, 2024. Accordingly, the Committee was reconstituted on August 08, 2024.

As required under Regulation 19 of the SEBI LODR Regulations, the committee comprises of four Directors. The Chairman of the Committee, Mr. Raman Mangalorkar, is a Non-Executive Independent Director. The Company Secretary and Compliance Officer of the Company acts as the Secretary to the committee.

The Nomination and Remuneration Policy contains the criteria for evaluating the Board, its committees, and Directors. The policy is available on the Company's website at <https://www.sobha.com/wp-content/uploads/2025/03/nomination-and-remuneration-policy-v2.pdf> and also forms a part of the Directors' Report.

#### 4. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee of the Board of Directors is entrusted with the responsibility of formulating and monitoring the Company's Corporate Social Responsibility Policy. The Corporate Social Responsibility Policy is available on the Company's website at <https://www.sobha.com/wp-content/uploads/2025/03/sobha-CSR-policy-v2.pdf>.

#### Meetings

The quorum for a meeting is any two members present for the meeting.

The committee met four times during financial year 2024-25. The dates of meeting, composition and attendance of the members of the Corporate Social Responsibility Committee are as follows:

Name	Category	Designation	Corporate Social Responsibility Committee Meetings			
			May 13, 2024	August 08, 2024	November 14, 2024	February 06, 2025
Ms. Srivathsala K N	Chairman	Non-Executive Independent Director	✓	✓	✓	✓
Mr. Jagadish Nangineni	Member	Managing Director	✓	✓	✓	✓
Mr. Anup S Shah*	Chairman till August 08, 2024	Non-Executive Independent Director	✓	✓	X	X
Mr. Gopal Bhimrao Hosur*	Member	Non-Executive Independent Director	X	X	✓	✓
Mr. Nisanth M N**	Member	Executive Director	X	X	X	✓

\* Mr. Anup S Shah vacated the office of Independent Director due to completion of terms and Mr. Gopal Bhimrao Hosur was appointed as Independent Director w.e.f August 08, 2024. Accordingly, the Committee was reconstituted on August 08, 2024 and Ms. Srivathsala K N became the Chairperson of the Committee.

\*\* Mr. Nisanth M N was appointed as an Executive Director designated as Deputy Managing Director with effect from January 01, 2025 and became the member of the Committee on February 06, 2025.

The Company Secretary and Compliance Officer of the Company acts as the Secretary to the Committee.

## 5. Risk Management Committee

The Risk Management Committee of the Board of Directors is entrusted with the responsibilities of establishing policies to monitor and evaluate the Company's risk management systems, specifically covering cyber security.

### Terms of Reference

- Oversee and approve the Company's risk management, internal compliance, control policies and procedures.
- Oversee the design and implementation of the risk management and internal control systems (including reporting and internal audit systems), in conjunction with existing business processes and systems to manage the Company's material business risks.
- Receive reports from, review with and provide feedback to the management on the categories of risks that the Company faces, including but not limited to credit, market, liquidity and operational risks, exposures in each category, significant concentration within those risk categories, the metrics used for monitoring the exposures and the management's views on the acceptable and appropriate levels of these risk exposures.
- Establish policies for the monitoring and evaluation of risk management systems to assess the effectiveness of these systems in minimizing risks that may adversely affect the Company's business.
- Oversee and monitor the management's documentation of the material risks that the Company faces and update them as events change and risks shift.
- Review reports on any material breach of risk limits and the adequacy of the proposed actions undertaken.
- In consultation with the Audit Committee, review and discuss the following with the management:
  - i. Key guidelines and policies governing the Company's significant processes for risk assessment and risk management; and
  - ii. The Company's major risk exposures and the steps that the management has taken to monitor and control such exposures.
- Report the proceedings of the committee to the Board or the Audit Committee of the Board at its regular meetings on all matters which fall within its terms of reference.
- Recommend to the Board or the Audit Committee of the Board, as it deems appropriate, any area within its terms of reference where an action or improvement is needed.
- Review its own performance, constitution and terms of reference to ensure that it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

### Meetings

The quorum for a meeting is any two members present for the meeting. The committee met two times during financial year 2024-25. The dates of meeting, composition and attendance of the members of the Risk Management Committee are:

Name	Category	Designation	Risk Management Committee meetings	
			May 13, 2024	December 07, 2024
Mr. Anup S Shah*	Chairman	Non-Executive Independent Director	✓	✗
Mr. Ravi PNC Menon	Member	Non-Executive Non Independent Director	✓	✓
Mr. Jagadish Nangineni	Member	Managing Director	✓	✓
Mr. Yogesh Bansal	Member	Non-Executive Independent Director	✓	✓
Mr. Mr. Subba Rao Amarthaluru*	Chairman	Non-Executive Independent Director	✗	✓

\*Mr. Anup S Shah vacated the office of Independent Director due to completion of terms and Mr. Subba Rao Amarthaluru was appointed as an Independent Director w.e.f August 08, 2024. Accordingly, the Committee was reconstituted on August 08, 2024.

## 6. Rights Issue Committee

The Rights Issues Committee was constituted on January 22, 2024 to ensure that matters relating the rights issues are monitored effectively. Broad terms of reference of the rights issue committee is as under:

### Terms of Reference

- Issue and allot Equity Shares in consultation with the Lead Managers, the registrar, the Designated Stock Exchange and to do all necessary acts and execute documents and undertakings with National Securities Depository Limited and Central Depository Services (India) Limited in connection with the Issue;
- Take all such actions and give all such directions as may be necessary or desirable and also to settle any question or difficulty or doubts that may arise in regard to the creation, offer, issue and allotment of the Equity Shares;
- Take any and all action in connection with obtaining approvals and consents (or entering into any arrangement or agreement in respect thereof) in connection with the Issue, including, but not limited to, approvals from the lenders of the Company, other third parties, SEBI, RBI, the RoC and the Stock Exchanges (including in-principle approval and final listing and trading approval);
- To take all actions and give all such directions as may be necessary or desirable and to settle all questions, difficulties or doubts that may arise in relation to the Issue and matter incidental thereto as it may, in its absolute discretion deem fit; and
- Executing and delivering any and all other documents, papers or instruments and doing or causing to be done any and all acts, deeds or things as they may, in their discretion, deem necessary or desirable for the purpose of the Issue, including to carry out the purposes and intent of the foregoing or the Issue.

### Meetings

The quorum for a meeting is any four members present for the meeting. The committee met two times during financial year 2024-25. The dates of meeting, composition and attendance of the members of the Rights Issue Committee are:

Name	Category	Designation	Rights Issue Committee meetings			
			May 28, 2024	July 11, 2024	January 21, 2025	March 13, 2025
Mr. Jagadish Nangineni	Chairman	Managing Director	✓	✓	✓	✓
Mr. Anup S Shah*	Member	Non-Executive Independent Director	✓	✓	X	X
Mr. Raman Magalorkar	Member	Non-Executive Independent Director	✓	✓	✓	✓
Ms. Srivathsala K N*	Member	Non-Executive Independent Director	X	X	✓	✓

\*Mr. Anup S Shah vacated the office of Independent Director due to completion of terms and Ms. Srivathsala K N was appointed as an Independent Director w.e.f August 08, 2024. Accordingly, the Committee was reconstituted on August 08, 2024.

### Senior Management

Particulars of Senior Management Personnel as on March 31, 2025 are as follows:

Sr. No.	Name of SMP	Designation
1.	Bijan Kumar Dash	Company Secretary and Compliance Officer
2.	Devaraja T.H.	Business Head - Electrical
3.	Gaurav Bhatia	Chief Sales Officer
4.	Geetha K.Nair	Chief Design Officer
5.	Gopan TP	Head - Administration
6.	Harish Babu	Business Head - Interiors
7.	Lalit Lahoty	Regional Head - Mumbai
8.	Manish Verma	Regional Head - Pune
9.	Manoj Rastogi	Business Head - CPD

Sr. No.	Name of SMP	Designation
10.	Mohit Khandelwal*	Internal Auditor
11.	Prasanna Venkatesh G	Business Head - Plumbing
12.	Prasun Basu	Chief Information Technology Officer
13.	Raghu Balan	Chief Technology Officer
14.	Rajesh C Nair	Head - Procurement
15.	Ravi K R	Regional Head - Chennai and Hyderabad
16.	Satish Kamath	Head - Human Resources
17.	Shanthy V	Chief Operating officer
18.	Sumeet Suresh Chunkhare	Chief Marketing and Communications Officer
19.	Tina Talwar	Regional Head - NCR
20.	Varghese P.V.	Business Head - Glazing
21.	Vikram Kumar	Executive Vice President – Legal and Land Purchase
22.	Yogesh Bansal	Chief Financial Officer

\*Mr. Mohit Khandelwal was appointed as the Head of Internal Auditor on March 13, 2025 in place of Mr. Vinit Kumar Ladha.

## INFORMATION FOR SHAREHOLDERS

### Share capital and shares related information

#### Share Capital History

Date of allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Reasons for Allotment	Cumulative No. of Equity Shares	Cumulative paid-up share capital (₹)
August 07, 1995	30	10	10	Cash	Subscribers to memorandum	30	300
February 11, 1998	1,174,729	10	10	Cash	Further allotment	1,174,759	11,747,590
March 25, 1998	2,000,000	10	10	Cash	Further allotment	3,174,759	31,747,590
October 16, 1998	1,934,823	10	10	Cash	Further allotment	5,109,582	51,095,820
December 22, 1998	855,000	10	10	Cash	Further allotment	5,964,582	59,645,820
March 25, 1999	1,000,000	10	10	Cash	Further allotment	6,964,582	69,645,820
July 11, 2002	14,175,898	10	10	Cash	Further allotment	21,140,480	211,404,800
June 28, 2006	42,280,960	10	10	-	Bonus issue in the ratio of 2:1	63,421,440	634,214,400
October 28, 2006*	97,245	10	617	Cash	Preferential allotment-pre-IPO placement to Bennett, Coleman & Co. Limited	63,518,685	635,186,850
October 28, 2006**	486,223	10	617	Cash	Preferential allotment pre-IPO placement to Kotak Mahindra Private Equity Trustee Limited	64,004,908	640,049,080

Date of allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Reasons for Allotment	Cumulative No. of Equity Shares	Cumulative paid-up share capital (₹)
December 12, 2006***	8,896,825	10	640	Cash	8,014,705 equity shares were allotted to the public and 882,120 equity shares were allotted pursuant to employee reservation pursuant to the initial public offering	72,901,733	729,017,330
July 03, 2009****	25,162,135	10	209.40	Cash	Qualified Institutional Placement	98,063,868	980,638,680
July 21, 2016 <sup>§</sup>	1,759,192	10	330.00	Cash	Buyback	96,304,676	963,046,760
October 12, 2017 <sup>^</sup>	1,458,823	10	425.00	Cash	Buyback	94,845,853	948,458,530
July 11, 2024 <sup>§</sup>	12,107,981	10	1651.00	Cash	Rights Issue	106,953,834	1,069,249,685

\*Pursuant to a Shareholders' Agreement dated October 25, 2006, 97,245 equity shares were issued and allotted to Bennett, Coleman & Co. Limited, at a price of ₹ 617 per equity share including a share premium of ₹ 607 per equity share, aggregating ₹ 60 million.

\*\*Pursuant to a subscription agreement dated October 26, 2006, 486,223 equity shares issued and allotted to Kotak at a price of ₹ 617 per equity share including a share premium of ₹ 607 per equity share, aggregating ₹ 299.99 million.

\*\*\*8,896,825 equity shares of ₹ 10 each were issued as fully paid-up shares.

\*\*\*\*25,162,135 equity shares of ₹ 10 each were issued as fully paid-up shares by way of Qualified Institutional Placement.

<sup>§</sup>1,759,192 equity shares of ₹ 10 each were bought back from the shareholders at a price of ₹ 330 per share.

<sup>^</sup>1,458,823 equity shares of ₹ 10 each were bought back from the shareholders at a price of ₹ 425 per share.

<sup>§</sup>12,107,981 equity shares of ₹ 10 each were issued on rights basis to the shareholders at a price of ₹ 1651 per share, as on March 31, 2025, 35083 Partly Paid Shares remained unpaid.

### Shareholding Pattern: Distribution of Shareholding as on March 31, 2025

Range of equity shares held	No. of shareholders	% of total shareholders	Number of shares	% of Issued capital
1 – 500	1,27,521	98.20	56,47,131	5.28
501 – 1,000	1,241	0.96	8,83,584	0.83
1,001 – 2,000	547	0.42	7,72,118	0.72
2,001 – 3,000	149	0.11	3,62,277	0.34
3,001 – 4,000	75	0.06	2,64,768	0.25
4,001 – 5,000	43	0.03	1,95,416	0.18
5,001 – 10,000	79	0.06	5,65,116	0.53
10,001 and above	209	0.16	9,82,28,341	91.87
<b>Total</b>	<b>1,29,864</b>	<b>100.00</b>	<b>10,69,18,751</b>	<b>100.00</b>

## Shares Held in Physical and Dematerialized Form

As on March 31, 2025, 99.99 per cent of the Company's shares were held in dematerialized form and the rest in physical form. The following is a break-up of the equity shares held in electronic and physical forms:

Description	No. of shareholders	No. of shares	% of equity
NSDL	63,206	95,137,071	88.95
CDSL	68,985	11,816,745	11.05
Physical	4	18	0.00
<b>Total</b>	<b>1,32,195</b>	<b>106,953,834</b>	<b>100.00</b>

## Dividend History

The dividends declared by the Company in the previous seven years are:

Financial year	Rate of dividend (%)	Dividend per equity share of ₹ 10 each
2017-18	70.00	7.00
2018-19	70.00	7.00
2019-20	70.00	7.00
2020-21	35.00	3.50
2021-22	30.00	3.00
2022-23	30.00	3.00
2023-24	30.00	3.00

## Recommendation of Dividend and Dividend Payment Date

The Board of Directors has recommended a dividend of ₹ 3.00 per equity share of ₹ 10 which is subject to the approval of the members in the ensuing Annual General meeting.

In terms of Section 123 of the Companies Act, 2013, the dividend amount will be deposited in a separate bank account within 5 days from the date of the Annual General meeting and will be paid to the shareholders within the prescribed time.

The following table provides the dates of declaration of dividend after the shares were listed and the corresponding date when unclaimed dividends are due to be transferred to the Central Government:

Financial year	Date of declaration of dividend	Last date for claiming unpaid dividend	Unclaimed amount as on March 31, 2025 (₹)	Due date for transfer to IEPF Fund
2017-18	August 07, 2018	September 09, 2025	4,97,168.00	October 08, 2025
2018-19	August 09, 2019	September 11, 2026	3,98,531.00	October 10, 2026
2019-20	August 07, 2020	September 05, 2027	4,43,066.00	October 04, 2027
2020-21	August 13, 2021	September 12, 2028	1,83,217.00	October 11, 2028
2021-22	August 10, 2022	September 09, 2029	155,027.00	October 08, 2029
2022-23	August 08, 2023	September 07, 2030	152,033.00	October 06, 2030
2023-24	August 07, 2024	September 06, 2031	99,086.00	October 05, 2031

Members can claim the unpaid dividend from the Company before transfer to the Investor Education and Protection Fund. Members who have so far not encashed the dividend warrant(s) are requested to make their claim to the Secretarial Department at the Registered and Corporate Office of the Company or send an e-mail to [investors@sobha.com](mailto:investors@sobha.com).

## Unclaimed Dividend

Pursuant to Section 124 of the Companies Act, 2013, the amount lying unpaid or unclaimed in the Unpaid Dividend Account of the Company for a period of seven years from the date of transfer of the dividend amount to the Unpaid Dividend Account shall be transferred by the Company to the Investor Education and Protection Fund established by the Central Government.

During financial year 2024-25, the Company was required to transfer to the Investor Education and Protection Fund, the dividend declared in the Annual General meeting held on August 04, 2017. Accordingly, the Company transferred an amount of ₹ 178,477.50 (Rupees one lakh seventy-eight thousand four hundred seventy-seven and paise fifty only) to the Investor Education and Protection Fund.

The details of the unclaimed dividends along with the names and addresses of the shareholders were published on the Company's website. Individual communication to each of the shareholders who had not claimed the dividend continuously for the previous seven years was sent to their registered addresses. The said details were also uploaded on the website of the Ministry of Corporate Affairs.

## Unclaimed Equity Shares

In terms of Regulation 39(4) of the SEBI LODR Regulations, unclaimed equity shares shall be transferred to an 'Unclaimed Suspense Account' opened by the Company for the purpose and the equity shares lying therein shall be dematerialized with a Depository Participant. The voting rights of such equity shares remain frozen till the rightful owner claims the shares.

Accordingly, the Company has opened a Demat account with Depository Participant Geojit BNP Paribas Financial Services Limited. The following table provides details of the equity shares lying in the Unclaimed Suspense Account:

Financial year	Aggregate no. of shareholders and outstanding equity shares as on April 01, 2024	Number of shareholders who approached the Company for transfer of equity shares during the year	Number of shareholders to whom equity shares were transferred	Aggregate no. of shareholders and outstanding equity shares as on March 31, 2025
2024-25	83 shareholders and 841 outstanding equity shares	-	-	83 shareholders and 841 outstanding equity shares
2024-25	-	-	-	2 Shareholders and 12* outstanding shares

\*12 shares are pertaining to partly paid-up rights issue shares.

Allottees who have not claimed their equity shares are requested to make their claim to the Secretarial Department at the Registered and Corporate Office of the Company or send an e-mail to [investors@sobha.com](mailto:investors@sobha.com).

Pursuant to the notification issued by Ministry of Corporate Affairs, Government of India, the Company has transferred the following equity shares to the designated IEPF's Demat account:

Base year	Number of shareholders	No. of equity shares transferred to IEPF's Demat account
2009-10	175	2,470
2010-11	64	1,550
2011-12	62	1,413
2012-13	45	2,574
2013-14	58	827
2014-15	133	3,087
2015-16	114	1,993
2016-17	105	1,722

## Share Transfer System

Share transfers will be registered and returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. Share transfers and other communication regarding share certificates and change of address etc., may be addressed to the R&T Agents as mentioned earlier.

## Nomination

Pursuant to the provisions of Section 72 of the Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules, 2014, members may file nominations in respect of their shareholdings/debenture holdings:

- (i) For shares held in physical form, members are requested to give the nomination request to Registrar and Share Transfer Agents of the Company.
- (ii) For shares held in a dematerialized form, members are requested to give the nomination request to their respective Depository Participants directly.

## GENERAL MEETING AND POSTAL BALLOT RELATED INFORMATION

### Annual General Meeting related information

The details of the Annual General Meetings convened during the last three years are as follows:

Financial Year	Date and Time	Venue	Special Resolutions
2023-2024	August 07, 2024 at 3:00 pm	Through Video Conferencing (VC)/Other Audio-Visual Means (OAVM)	Issue of Non-Convertible Debentures on a private placement basis
2022-2023	August 08, 2023 at 3:00 pm	Through Video Conferencing (VC)/Other Audio-Visual Means (OAVM)	Issue of Non-Convertible Debentures on a private placement basis
2021-2022	August 10, 2022 at 3:00 pm	Through Video Conferencing (VC)/Other Audio-Visual Means (OAVM)	Issue of Non-Convertible Debentures on a private placement basis

### Extraordinary General Meeting

No Extraordinary General meeting was held during financial years 2021-22, 2022-23 and 2023-24.

### Postal Ballot

#### Procedure for Postal Ballot

- a) The Postal Ballot was carried out in compliance with the Regulation 44 of SEBI LODR Regulations and as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and read with various circulars issued by the Ministry of Corporate Affairs. The details of postal ballot conducted during the financial year 2024-25 were as under:

Sr. No.	Notice Date	Cut off date	Date of dispatch of Notice	Particulars	Submission of Postal Ballot Scrutinizer Report
1.	March 19, 2024	March 15, 2024	March 20, 2024	Adoption of new articles of association in place of existing articles of association of the company	April 22, 2024
2.	August 08, 2024	August 09, 2024	August 13, 2024	a. Appointment of Mr. Subba Rao Amarthaluru (DIN: 00082313) as an Independent Director of the Company. b. Appointment of Mr. Gopal B Hosur (DIN: 08884883) as an Independent Director of the Company	September 13, 2024
3.	November 14, 2024	November 22, 2024	November 26, 2024	a. Appointment of Mr. Nisanth M N (DIN: 10834675) as the Director of the Company. b. Appointment of Mr. Nisanth M N (DIN: 10834675) as Deputy Managing Director of the Company. c. Re-appointment of Ms. Srivathsala Kanchi Nandagopal (DIN: 06465469) as a Non-Executive Independent Director of the Company.	December 27, 2024

- b) The notice containing the postal ballot with draft resolution together with the explanatory statement and remote e-voting instructions through electronic mode were circulated to all those Members whose e-mail address were registered with the Company/Registrar and Share Transfer Agent ("RTA") or Depository/Depository Participants and whose names appeared in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut off dates.
- c) The Company engaged M/s. MUFG Intime India Private Limited for providing remote e-voting facility to all its members, to enable them to cast their votes electronically. In terms of relaxations provided by the Ministry of Corporate Affairs, only remote e-voting facility was provided and physical ballot papers were not provided to the members.
- d) The Board of Directors had appointed Mr. Nagendra D Rao (Membership No. 5553, COP No. 7731), Practising Company Secretary, as scrutinizer, for conducting the postal ballot through remote e-voting process in a fair and transparent manner.
- e) The result of the Postal Ballot was announced and placed on the website of the Company at [www.sobha.com](http://www.sobha.com), website of the registrar and transfer agent of the Company Link Intime India Private Limited <https://instavote.linkintime.co.in>, on the website of BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of NSE Limited <https://www.nseindia.com>.
- f) Pursuant to Regulation 44 of SEBI LODR Regulations and Section 110 of the Companies Act, 2013, read with the Rule 22 of the Companies (Management and Administration) Rules, 2014, the Company sought approval of the Members by way of postal ballot on the following matters:

**Resolution passed on April 21, 2024**

- I. Adoption of new articles of association in place of existing articles of association of the company:

Particulars	Physical	E-voting	Total
No. of shares held	-	94,845,853	94,845,853
Total number of votes Polled	-	73,271,924	73,271,924
Total number of valid votes	-	73,271,924	73,271,924
Votes cast in favour of the Resolution	-	61,160,704	61,160,704
Votes cast against the Resolution	-	12,111,220	12,111,220

The Resolution was passed with requisite majority.

**Resolution passed on September 12, 2024**

- I. Appointment of Mr. Subba Rao Amarthaluru (DIN: 00082313) as an Independent Director of the Company:

Particulars	Physical	E-voting	Total
No. of shares held	-	106,953,834	106,953,834
Total number of votes Polled	-	89,017,788	89,017,788
Total number of valid votes	-	89,017,788	89,017,788
Votes cast in favour of the Resolution	-	88,382,442	88,382,442
Votes cast against the Resolution	-	635,346	635,346

The Resolution was passed with requisite majority.

- II. Appointment of Mr. Gopal B. Hosur (DIN: 08884883) as an Independent Director of the Company:

Particulars	Physical	E-voting	Total
No. of shares held	-	106,953,834	106,953,834
Total number of votes Polled	-	89,017,778	89,017,778
Total number of valid votes	-	89,017,778	89,017,778
Votes cast in favour of the Resolution	-	8,84,31,279	8,84,31,279
Votes cast against the Resolution	-	5,86,499	5,86,499

The Resolution was passed with requisite majority.

### Resolution passed on December 26, 2024

- I. Appointment of Mr. Nisanth M N (DIN: 10834675) as the Director of the Company:

Particulars	Physical	E-voting	Total
No. of shares held	-	106,953,834	106,953,834
Total number of votes Polled	-	89,707,339	89,707,339
Total number of valid votes	-	89,707,339	89,707,339
Votes cast in favour of the Resolution	-	89,098,358	89,098,358
Votes cast against the Resolution	-	608,981	608,981

The Resolution was passed with requisite majority.

- II. Appointment of Mr. Nisanth M N (DIN: 10834675) as Deputy Managing Director of the Company:

Particulars	Physical	E-voting	Total
No. of shares held	-	106,953,834	106,953,834
Total number of votes Polled	-	89,707,340	89,707,340
Total number of valid votes	-	89,707,340	89,707,340
Votes cast in favour of the Resolution	-	79,900,496	79,900,496
Votes cast against the Resolution	-	9,806,844	9,806,844

The Resolution was passed with requisite majority.

- III. Re-appointment of Ms. Srivathsala Kanchi Nandagopal (DIN: 06465469), as a Non-Executive Independent Director:

Particulars	Physical	E-voting	Total
No. of shares held	-	106,953,834	106,953,834
Total number of votes Polled	-	89,707,291	89,707,291
Total number of valid votes	-	89,707,291	89,707,291
Votes cast in favour of the Resolution	-	85,552,947	85,552,947
Votes cast against the Resolution	-	4,154,344	4,154,344

The Resolution was passed with requisite majority.

- f) None of the businesses proposed to be transacted at the ensuing Annual General Meeting, scheduled to be held on Thursday, July 24, 2025, ('AGM'), requires passing of a Special Resolution through Postal Ballot.

### E-voting

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company provides a remote e-voting facility to the shareholders. The Company has availed the services of the Link Intime India Private Limited (currently known as MUFG Intime India Private Limited) for providing the necessary e-voting platform to members of the Company for the ensuing Annual General meeting.

For detailed information on the e-voting procedure, members may please refer to the Notes to the Notice of the Annual General meeting.

## OTHER DISCLOSURES

### Management Discussion and Analysis Report

The Management Discussion and Analysis Report titled 'Management Report' forms a part of the Annual Report. It includes, among other things, a discussion on the following:

- Industry structure and developments
- Risks and concerns
- Discussion on financial performance with respect to operational performance
- Human resources
- Outlook

### Corporate Governance Compliance Certificate

The Corporate Governance Compliance Certificate for the year ended March 31, 2025, issued by Mr. Nagendra D. Rao, Practicing Company Secretary in terms of the SEBI LODR Regulations is annexed to the Directors' Report and forms a part of the Annual Report.

### Secretarial Audit Report

The Secretarial Audit Report for the year ended March 31, 2025, issued by Mr. Nagendra D. Rao, Practicing Company Secretary in accordance with the provisions of Section 204 of the Companies Act, 2013 forms a part of the Annual Report.

### Confirmation of the Code of Conduct by the Managing Director

This is to confirm that the Company has adopted a Code of Conduct for its Board members and senior management personnel and the same is available on the Company's website.

I confirm that the Company has, in respect of the financial year ended March 31, 2025, received from the senior management personnel of the Company and the members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

**Place:** Bengaluru  
**Date:** May 29, 2025

**Jagadish Nangineni**  
Managing Director

### CEO/CFO Certificate

The Chief Executive Officer (CEO)/Chief Financial Officer (CFO) certification in terms of the SEBI LODR Regulations forms part of this report as **Annexure B**.

### Remuneration to Statutory Auditors

During financial year 2024-25, the fees paid to the Statutory Auditors of the Company is as follows:

Particulars	Amount (₹ in million)
Audit fees [includes fees for limited reviews]	15.35
Out of pocket expenses	1.72
Other services	8.90
<b>Total</b>	<b>25.97</b>

### Disclosure under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has always believed in providing a safe and harassment-free workplace for every individual working on the Company's premises through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The following is a summary of sexual harassment complaints received and disposed of during financial year 2024-25:

- number of complaints filed during the financial year:** NIL
- number of complaints disposed of during the financial year:** NIL
- number of complaints pending as at the end of the financial year:** NIL

### Commodity price risk or foreign exchange risk and hedging activities

The Company had no exposure in commodities and hence the disclosure is not required to be given. For a detailed discussion on foreign exchange risk and hedging activities, please refer to Management Discussion and Analysis Report.

### Loans and Advances in which Directors are interested

The Company has not provided any loans and advances to any firms/companies in which Directors are interested.

## General Shareholder Information

Corporate Identification Number	L45201KA1995PLC018475
Registered and Corporate Office	SOBHA Limited, 'SOBHA', Sarjapur–Marathahalli Outer Ring Road (ORR), Devarabisanahalli, Bellandur Post, Bengaluru – 560 103
Date and Venue of the Annual General Meeting (AGM)	Date: July 24, 2025 Time: 3:00 PM  Venue: Pursuant to Circular Nos 14/2020, 17/2020, 20/2020, 09/2024 dated April 8, 2020, April 13, 2020, May 5, 2020, September 19, 2024 Circular No. 13 <sup>th</sup> January, 2021, and Circular 10/2022 dated 28 <sup>th</sup> December 2022, issued by the Ministry of Corporate Affairs (MCA) and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 SEBI/HO/CFD/CMD2/CIR/P/2021/11SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15 <sup>th</sup> January, 2021, also vide its Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5 <sup>th</sup> January 2023, SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 3, 2024 issued by the Securities and Exchange Board of India (hereinafter collectively referred to as 'Circulars'), the Annual General Meeting of the Company is ("AGM") is convened through Video Conferencing/Other Audio Visual Means (VC/OAVM).and as such, there is no requirement to have venue for the AGM. For details, please refer to the Notice of AGM
Financial Year	The financial year of the Company starts from April 01 of every year and ends on March 31 of the following year.
Book Closure	The date of book closure is July 11, 2025
Dividend Payment Date	If approved by the shareholders in the ensuing Annual General meeting, the dividend will be paid on or before August 22, 2025.
Declaration of Financial Results for Financial Year 2024-25	<ul style="list-style-type: none"> <li>• For quarter ending June 30, 2024 – August 08, 2024.</li> <li>• For quarter ending September 30, 2024 – November 14, 2024.</li> <li>• For quarter ending December 31, 2024 – February 06, 2025.</li> <li>• For year ending March 31, 2025 – May 29, 2025.</li> </ul>
Tentative Dates for Declaration of Financial Results for 2025-26	<ul style="list-style-type: none"> <li>• For quarter ending June 30, 2025 – Second week of August 2025.</li> <li>• For quarter ending September 30, 2025 – Second week of November 2025.</li> <li>• For quarter ending December 31, 2025 – Second week of February 2026.</li> <li>• For the year ending March 31, 2026 –Third week of May 2026.</li> </ul>
<b>Correspondence Details of Various Authorities</b>	
The Securities and Exchange Board of India	Securities and Exchange Board of India SEBI Bhavan, Plot No.C4-A, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 Tel: 1800 266 7575 Website: <a href="http://www.sebi.gov.in">www.sebi.gov.in</a>   <a href="https://scores.sebi.gov.in/">https://scores.sebi.gov.in/</a>
National Stock Exchange of India Limited	National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 Tel: +91 22 2659 8100 - 8114 Website: <a href="http://www.nseindia.com">www.nseindia.com</a>
BSE Limited	BSE Limited Floor 25, P.J Towers, Dalal Street, Mumbai – 400 001 Tel: +91 22 2272 1233/4 Website: <a href="http://www.bseindia.com">www.bseindia.com</a>

National Securities Depository Limited	National Securities Depository Limited 4 <sup>th</sup> Floor, "A" Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 Tel: +91 22 2499 4200 Website: <a href="http://www.nsdl.co.in">www.nsdl.co.in</a>
Central Depository Services (India) Limited	Central Depository Services (India) Limited 17 <sup>th</sup> floor, P J Towers, Dalal Street, Fort, Mumbai – 400 001 Tel: +91 2272 8658   +91 2272 8645 Website: <a href="http://www.cdslindia.com">www.cdslindia.com</a>
R&T Agents	MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited) (SEBI Registration no. INR000004058) C-101, 1 <sup>st</sup> Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (W), Mumbai – 400 083 Tel.: +91 8108116767; Fax: +91 22 4918 6060; E-mail: <a href="mailto:rnt.helpdesk@in.mpms.mufg.com">rnt.helpdesk@in.mpms.mufg.com</a>

## Other Information

Listing fee	The Company paid annual listing fees for financial year 2025-26 to BSE Limited and the National Stock Exchange of India Limited.
Listing on stock exchanges	The equity shares of the Company are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).
Reconciliation of the share capital audit	In terms of Regulation 76 of the SEBI (Depositories and Participants) Regulations, 2018, reconciliation of the Share Capital Audit is conducted every quarter by Mr. Natesh K., Practicing Company Secretary, Bengaluru to reconcile the total admitted capital with the National Securities Depository Limited (NSDL), the Central Depository Services (India) Limited (CDSL) and physically with the shareholders and the total issued and listed capital. The report is forwarded to the stock exchanges within the prescribed timeline, where the shares of the Company are listed.
Outstanding GDRs/ ADRs/Warrants/ Convertible Instruments and their impact on equity	As on March 31, 2025, the Company did not have any outstanding GDRs/ADRs/Warrants/ Convertible Instruments.
Plant locations of the divisions	<p><b>Metals &amp; Glazing Division:</b></p> <p>Plot No.10, Bommasandra Industrial Area, Bommasandra Jigani Link Road, Jigani Post, Opposite to Biocon, KIADB Industrial Area, Anekal Taluk, Bengaluru – 560105.</p> <p>Plot No. #G-6, SIPCOT Industrial Park, 2<sup>nd</sup> Cross Road, Irungulam – Mambakkam, Sri Perumbudur, Kancheepuram Distt., Chennai – 602105.</p> <p>Plot No. 345, Phase - V, Sector-56, HSIIDC, Kundli Industrial Area, Dist.- Sonapat, Haryana – 131028.</p> <p><b>Interiors Division:</b></p> <p>Plot No. 9, KIADB Industrial Area, Jigani-Bommasandra Link Road, Hennagara (Post), Anekal Taluk, Bommasandra, Bengaluru – 560105.</p> <p>Plot No. A-915 RIICO Industrial Area Bhiwadi, Tehsil Tijara Distt. Alwar, Rajasthan – 301019.</p> <p><b>Concrete Products Division:</b></p> <p>Plot No. #329, Bommasandra Jigani Link Road, Industrial Area, Jigani, Anekal Taluk, Bengaluru – 560 105.</p> <p>Sector 106, 108, 109 Babupur, Near New Palam Vihar, Gurugram, Haryana – 122017.</p> <p><b>SOBHA Mattress Division:</b></p> <p>Plot No. 9, KIADB Industrial Area, Jigani Bommasandra Link Road, Bommasandra, Hennagara Post, Anekal Taluk, Bengaluru – 560 105.</p>

## Means of Communication

Website	Appropriate information relating to the Company and its performance including financial results, press releases pertaining to important developments, performance updates, and corporate presentations are regularly posted on the Company's website <a href="http://www.sobha.com">www.sobha.com</a> .  The 'Investors section' provides up-to-date information to shareholders on matters such as the shareholding pattern, outcome of Board and general meetings, stock performances, unclaimed equity shares, unclaimed dividends and investor presentations.
Earning Calls on Financial Results	Earning calls on financial results are held with analysts and investors and their transcripts are published on the website. The presentations made to analysts and others are also made available on the Company's website at <a href="https://www.sobha.com/investor-relations/#concall">https://www.sobha.com/investor-relations/#concall</a> .
Financial Results	Quarterly, half-yearly and annual financial results are published in an English newspaper (Business Line) and a regional language newspaper (Prajavani).
NEAPS	Stock exchange intimations are electronically submitted to NSE through the NSE Electronic Application Processing System (NEAPS).
BSE Listing Centre	Stock exchange intimations are electronically submitted to BSE through the BSE Listing Centre.
Annual Report	The Chairman's Message, Directors' Report, the Management Discussion and Analysis Report and the Corporate Governance Report form part of the Company's Annual Report and are available on the Company's website.
Investor Servicing	The contact details for investor queries are given elsewhere in this Report. The Company has a designated e-mail ID, <a href="mailto:investors@sobha.com">investors@sobha.com</a> for investor servicing.
Stakeholder Satisfaction Survey	An online survey is available on the Company's website for addressing stakeholders' grievances and for their feedback on the efficacy of investor services.
List of all Credit Ratings obtained by the entity along with revisions, if any, thereto during the relevant financial year	<b>ICRA Rating:</b> Term loans (ICRA) AA-/Stable Fund based cash credit (ICRA) AA-/Stable Non-Fund Based Limits (ICRA) AA-/Stable  <b>India Ratings &amp; Research:</b> Term loans IND AA-/Stable Fund based working capital facilities IND AA-/Stable/Ind A1+ Non-fund-based working capital IND AA-/Stable/Ind A1+

## Compliance of Non-Mandatory Requirements

Part-E of Schedule-II of the SEBI LODR Regulations contains certain non-mandatory requirements that a company may implement at its discretion. Disclosures on compliance of mandatory requirements and adoption (and compliance)/ non-adoption of the non-mandatory requirements is made in the Corporate Governance Report of the Annual Report. The status of compliance of non-mandatory requirements is as follows:

### A. The Board

The Company is not maintaining any separate office for the Non-Executive Chairman of the Company.

## B. Shareholders' Rights

The half-yearly declaration of financial performance together with the summary of significant events in the last six months are not individually provided to the shareholders. However, information on financial and business performance is provided in the 'Investors section' of the Company's website, [www.sobha.com](http://www.sobha.com), on a quarterly basis.

## C. Modified opinion(s) in the Audit Report

The audited financial statements of the Company for financial year 2024-25 do not contain any qualifications and the Statutory Auditors Report/Secretarial Audit Report does not contain any adverse remarks. The Audit Reports are unmodified reports.

#### **D. Separate Posts of Chairman and CEO**

The Company has appointed separate persons to the posts of Chairman and Managing Director.

#### **E. Reporting by the Internal Auditor**

The Internal Auditor reports to the Audit Committee of the Board of Directors of the Company. The Audit Committee is empowered to hold separate meetings and discussions with the Internal Auditor.

#### **F. Independent Directors**

A separate meeting of Independent Directors was held on March 13, 2025. All the Independent Directors were present at the meeting.

#### **G. Compliance of regulations 17 to 27**

The Company complied with Corporate Governance requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of Sub-regulation (2) of Regulation 46 of SEBI LODR Regulations.

#### **Compliances**

In general, there was no instance of non-compliance with any legal requirements on any matter relating to the capital market nor was any restriction imposed by any stock exchange or SEBI during the last three years.

The Company complied with the applicable provisions of the Regulations, Acts, Rules, Notifications and Circulars

related to stock exchanges/SEBI/other statutory authorities on all matters related to capital markets. There are no penalties or strictures imposed on the Company by the stock exchanges/SEBI/any other statutory authority relating to the above.

#### **Address for correspondence**

##### **For any queries, please write to:**

Mr. Bijan Kumar Dash  
Company Secretary & Compliance Officer  
SOBHA Limited  
'SOBHA', Sarjapur – Marathahalli Outer Ring Road (ORR),  
Devarabisanahalli,  
Bellandur Post, Bengaluru– 560 103  
Board Line: +91 80 4932 0000 | Extension: 6024  
E-mail: [bijan.dash@sobha.com](mailto:bijan.dash@sobha.com)  
[investors@sobha.com](mailto:investors@sobha.com)

##### **For queries relating to financial statements, please write to:**

Mr. Yogesh Bansal  
Chief Financial Officer  
SOBHA Limited  
'SOBHA', Sarjapur – Marathahalli Outer Ring Road (ORR),  
Devarabisanahalli,  
Bellandur Post, Bengaluru– 560 103  
Telephone: +91 80 4932 0000 | Extension: 5026  
E-mail: [yogesh.bansal@sobha.com](mailto:yogesh.bansal@sobha.com)  
[investors@sobha.com](mailto:investors@sobha.com)

# Annexure A

## Certificate pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,  
The Members,  
**Sobha Limited**  
SOBHA, Sarjapur-Marathahalli Outer Ring Road (ORR)  
Devarabisanahalli, Bellandur Post,  
Bengaluru – 560 103.

I have examined the relevant registers, records, forms and returns filed, notices and disclosures received from the Directors, minutes books, other books and papers of **SOBHA LIMITED** having CIN **L45201KA1995PLC018475** and having registered office at **"SOBHA", Sarjapur - Marathahalli Outer Ring Road (ORR), Devarabisanahalli, Bellandur Post, Bengaluru – 560 103** (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'the LODR'), as amended from time to time.

In my opinion and to the best of my information and according to the verifications (including DIN status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company, its officers and Management Representation Letter of even date, **I hereby certify that none of the Directors who were on the Board of the Company as on 31<sup>st</sup> March, 2025 have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any other Statutory Authority.**

Ensuring the eligibility of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

I have conducted necessary verification as much as is appropriate to obtain reasonable assurance about the eligibility or disqualification of the Directors on the Board of the Company.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Place:** Bengaluru  
**Date:** May 29, 2025

**Nagendra D. Rao**  
Practising Company Secretary  
Membership No. FCS – 5553  
Certificate of Practice – 7731  
Peer Reviewed Unit  
Peer Review Certificate No.: 672/2020  
UDIN: F005553G000478817

# Annexure B

## Chief Executive Officer and Chief Financial Officer Certificate

**[As Per Regulation 17 and Part B of Schedule II of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

### **WE CERTIFY THAT:**

- A. We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2025 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee
- (1) significant changes in internal control over financial reporting during the financial year ended March 31, 2025;
  - (2) significant changes in accounting policies during the financial year ended March 31, 2025 and that the same have been disclosed in the notes to the financial statements; and
  - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Place:** Bengaluru  
**Date:** May 29, 2025

**Yogesh Bansal**  
Chief Financial Officer

**Jagdish Nangineni**  
Managing Director

# Management Report

## MACROECONOMIC OVERVIEW

### Indian Macroeconomic Overview 2025

The Indian economy in 2024-25 stood out for its resilience, supported by strong macroeconomic fundamentals, despite global geopolitical uncertainties, trade disruptions, and slower growth among major economies. India's Real GDP grew by 6.5% in 2024-25, whereas the world GDP growth was at 3.1%. India retained its status as the fastest-growing large economy.

This performance was underpinned by robust domestic demand, particularly in consumption and services, and a positive contribution from net exports. Headline inflation eased to an average of 4.6%, supported by core disinflation and fuel price deflation, though food inflation remained volatile due to weather-related supply shocks. Fiscal consolidation efforts continued at both central and state levels, with strong tax receipts and modest capital expenditure growth. The external sector remained stable, with a modest current account deficit and adequate foreign exchange reserves, even as capital flows showed some volatility.

The services sector remained the primary engine of growth, expanding by 7.5% in 2024-25. This sector's performance was broad-based, with significant contributions from trade, hotels, transport, communication, financial, real estate, and professional services. High-frequency indicators such as GST E-way bills, commercial vehicle sales, and aviation traffic pointed to sustained momentum in logistics and mobility. Financial, real estate, and professional services grew by 7.2%, benefiting from robust credit expansion and healthy balance sheets in the financial sector. Public administration, defence, and other services also posted strong growth at 8.8%, reflecting continued government expenditure.

Within the services sector, the Information Technology (IT) industry and Global Capability Centers (GCCs) continued to be key drivers of India's services exports. The IT sector benefited from the global push for digital transformation, increased demand for cloud computing, cybersecurity, and artificial intelligence solutions, and India's large pool of skilled talent. The GCC segment further strengthened its position, with new centers being established and existing ones expanding into areas such as analytics, R&D, and innovation. This contributed significantly to services exports and high-value employment.

Hospitality and tourism saw a mixed recovery in 2024-25. Hotel occupancy rates improved modestly, and foreign tourist arrivals began to normalize, though growth was

subdued in the latter part of the year. The sector was buoyed by increased domestic travel and government initiatives to promote tourism, but it remained sensitive to global travel trends and geopolitical risks.

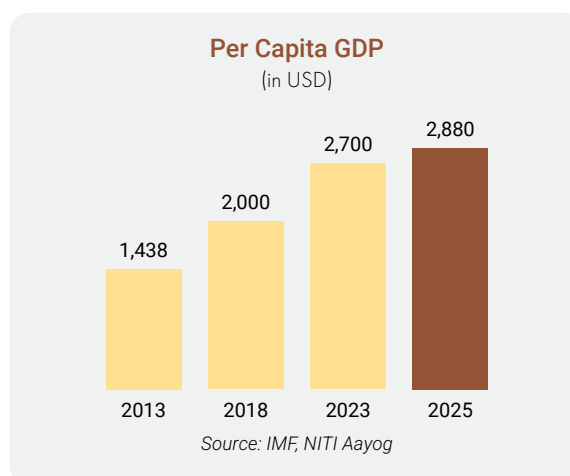
The Banking, Financial Services, and Insurance (BFSI) sector experienced double-digit credit growth, with both deposits and lending expanding robustly, especially in retail and services. The financial system remained sound and well-capitalized, benefiting from increased formalization and digitalization of the economy.

Looking ahead to 2025-26, the RBI projects real GDP growth to remain steady at 6.5%, with domestic economic activity expected to show continued resilience. Sectors such as services, IT, BFSI, and GCCs remain the principal drivers. Industrial activity is gradually picking up, and the services sector is anticipated to maintain its momentum, as indicated by strong Purchasing Managers' Index readings. The RBI expects headline inflation to remain benign, projecting it at 4% for FY26, with the possibility of further easing to 3.7% as supply chain pressures abate and agricultural production remains high.

## FUNDAMENTAL GROWTH DRIVERS

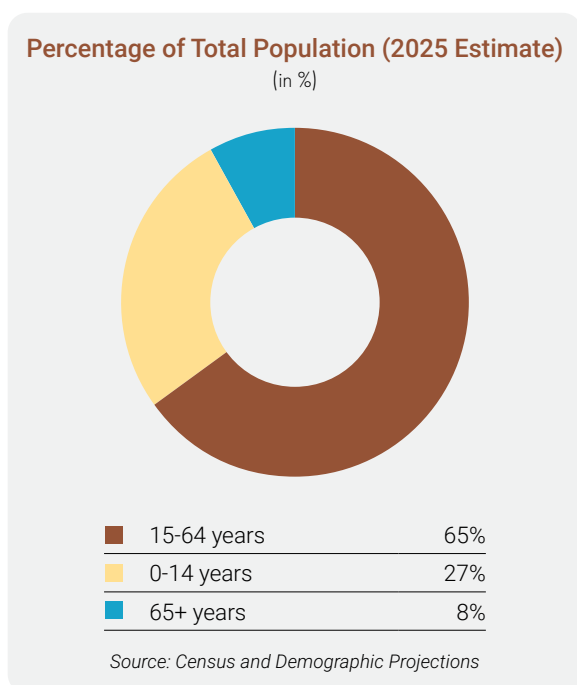
### Per Capita GDP Trends

India's per capita GDP has doubled over the past decade, rising from USD 1,438 in 2013-14 to approximately USD 2,880 in 2025. This significant increase reflects the country's sustained economic growth and rising incomes. However, India's per capita income remains considerably lower than that of high-income countries, which generally have per capita incomes exceeding USD 14,000. The government's vision is to elevate India to high-income status by 2047, targeting an economy size of USD 30 trillion and per capita income comparable to developed nations.



## Demographic Shifts Shaping the Economy

India's demographic profile is a key driver of its economic potential. The country has a young and growing population, with a median age of approximately 28 years, significantly younger than many developed economies. The working-age population (15-64 years) constitutes about 65% of the total population, providing a large labor force that supports both production and consumption. Urbanization is accelerating, with an increasing share of the population living in cities, which stimulates demand for infrastructure, housing, and urban services. India's population is expected to peak around 2047, coinciding with the government's vision of achieving developed country status by that year.



## Downward Interest Rate Cycle

The interest rate environment remained very stable all through out 2024, with the last rate cut recorded in February 2024. Reserve Bank of India (RBI) again re-initiated rate cuts from February 2025 looking at easing inflation and a stable economic environment. The first reduction, a 25 basis point cut, occurred in February 2025, followed by additional rate cut of 25 basis points in April. Consequently, the repo rate stands at 6% as on the date of this report. Additionally, reduction in the Cash Reserve Ratio helped inject substantial liquidity into the financial system.

## Implications for the Real Estate Sector

The recent monetary easing is expected to be particularly advantageous for the real estate sector. Lower borrowing costs will make home loans more affordable, encouraging a greater number of buyers especially in the mid-and premium housing segments to enter the market. This is likely to stimulate demand and drive sales growth.

Developers are also set to benefit from this environment. Cheaper financing and improved access to capital will support the launch of new projects and help clear inventory. The increased liquidity and lower interest rates should make it easier for developers to finance construction and expansion, further supporting sector growth.

Overall, the RBI's recent rate cuts have set a positive tone for the real estate sector, fostering both demand and investment. As the sector capitalizes on these favourable conditions, it is well-positioned to contribute to and benefit from the broader economic recovery and momentum.

## Growing Urbanisation

Urbanisation in India continues to gain momentum and is playing a pivotal role in shaping the country's economic growth. According to the latest official estimates, urban areas now contribute more than 60% of India's GDP, underscoring the economic weight of cities as engines of growth and innovation. As of 2024-25, India's urban population is estimated to be around 36%-37% of the total population, with projections indicating that this share will surpass 40% by 2030. This ongoing migration from rural to urban centres is driven by the search for better employment opportunities, especially in high-growth sectors such as IT, financial services, GCC, hospitality, and professional services, which are predominantly concentrated in urban regions.

The rapid expansion of urban infrastructure, increased investment in housing, transportation, and public utilities, and the rise of a large urban middle class have all contributed to higher productivity, greater consumption, and job creation. While rapid urbanisation possesses challenges for infrastructure and urban planning, it has a strong correlation with urban GDP growth, driving real estate demand across major cities of India.

## Evolving Consumption Trends & Expenditure Dynamics

India's consumption landscape is evolving rapidly, driven by rising per capita GDP, demographic shifts, and increasing incomes. Private consumption remains the backbone of economic growth, with rural areas showing strong momentum due to rising incomes and agricultural prosperity, while urban areas showing momentum on account of growing services sectors like IT, GCC, finance, hospitality, entertainment and education. The IMF highlights that private consumption will be a key contributor to GDP growth in 2025-26. As disposable incomes rise, consumer preferences are shifting from basic necessities toward discretionary goods and services, and aspirational products as well.

Demographic factors significantly shape these consumption patterns. The rural population, supported by agricultural growth and targeted government schemes, is increasingly participating in the consumption of fast-moving consumer goods (FMCG), healthcare, and education. At the same time, the expanding urban middle class is driving demand for a wide range of consumer

products, including electronics, automobiles, and premium services. Urban consumption is also marked by a shift toward premium products and services.

Overall, the growing working-age population is fuelling demand for consumer durables, digital services, and financial products, reflecting evolving lifestyles and rising aspirations across both rural and urban India.

### INDIAN REAL ESTATE OVERVIEW 2025

India's real estate market continued to demonstrate resilience and growth, solidifying its position as a key pillar of the economy. Amidst global uncertainties, the sector's adaptability has enabled it to achieve new milestones, with both office and residential markets demonstrating robust performance. Notably, the strong momentum in the office market is emerging as a key demand driver and leading indicator for the residential segment.

### Office Market Overview 2024-25

The office market has sustained its record-breaking momentum, with annual transaction volumes surpassing 71.9 million sq ft – the highest on record. A shift in occupier demand is noteworthy, with Global Capability Centres (GCCs) and India-facing businesses taking centre stage. The robust growth of flex spaces, which saw a 52% YoY rise, highlights the demand for versatile workplace solutions. Despite challenges on the supply side, rental growth and declining vacancy levels underscore the strong fundamentals of the Indian office market.

### Office Market Key Metrics

Parameter	2024	YoY Change
Transactions (mn sq. ft.)	71.9	+21%
Completions (mn sq. ft.)	50.3	+17%
Vacancy Rate	15%	-107 bps

Source: Knight Frank Research, H2 2024

Despite challenges on the supply side, rental growth and declining vacancy levels underscore the strong fundamentals of the Indian office market. Cities like Bengaluru, NCR, and Mumbai have led this resurgence, reaffirming their positions as key hubs for global business. Vacancy levels now stand at single digits in NCR and Chennai at 8.4% and 6.8% respectively. This supply squeeze across the top markets has also caused rents to trend higher since H1 2022, as Indian landlords have been able to negotiate better terms in a market that has seen the strongest office markets struggle globally.

These trends highlight an optimistic business environment, fostering job creation and raising income levels. As employment grows, so does the influx of professionals into urban centers, driving demand for residential properties. Cities like Bengaluru, NCR, Hyderabad and Mumbai – leading hubs for office absorption – are experiencing heightened residential demand as they attract both talent and investment.

### Residential Market Summary

The residential market also scaled new heights, achieving a 12-year high in annual sales with 350,612 units sold in 2024—a 7% year-on-year (YoY) increase. Homes priced above ₹ 10 million accounting for nearly half of the total sales. The government's focus on housing for all, infrastructure development, and pro-business policies provides a strong foundation for growth across asset classes.

Parameter	2024	YoY Change
Residential Sales (Units)	350,612	+7%
Residential Launches (Units)	372,936	+6%
Unsold Inventory (Units)	495,839	+5%
Quarters to Sell (QTS)	5.8	-

Source: Knight Frank Research, H2 2024

### Residential Market: Premiumization and Demand Evolution

The residential market's momentum, sustained since the pandemic, is marked by a pronounced shift toward premium and luxury segments. Homes priced between ₹ 20–50 million have recorded an impressive 62% year-on-year growth. This trend toward premiumization reflects evolving buyer aspirations, growing confidence in India's economic trajectory, and a heightened desire for enhanced lifestyles.

There is a clear shift in buyer preferences toward upscale housing, particularly in Bengaluru, where demand is driven by an affluent demographic that includes high-income professionals and entrepreneurs from the city's thriving IT and startup ecosystems. Developers have responded proactively to this shift by launching projects tailored to the increasing demand for premium and luxury living. These projects feature expansive layouts and premium amenities, which have been met with a positive response from homebuyers.

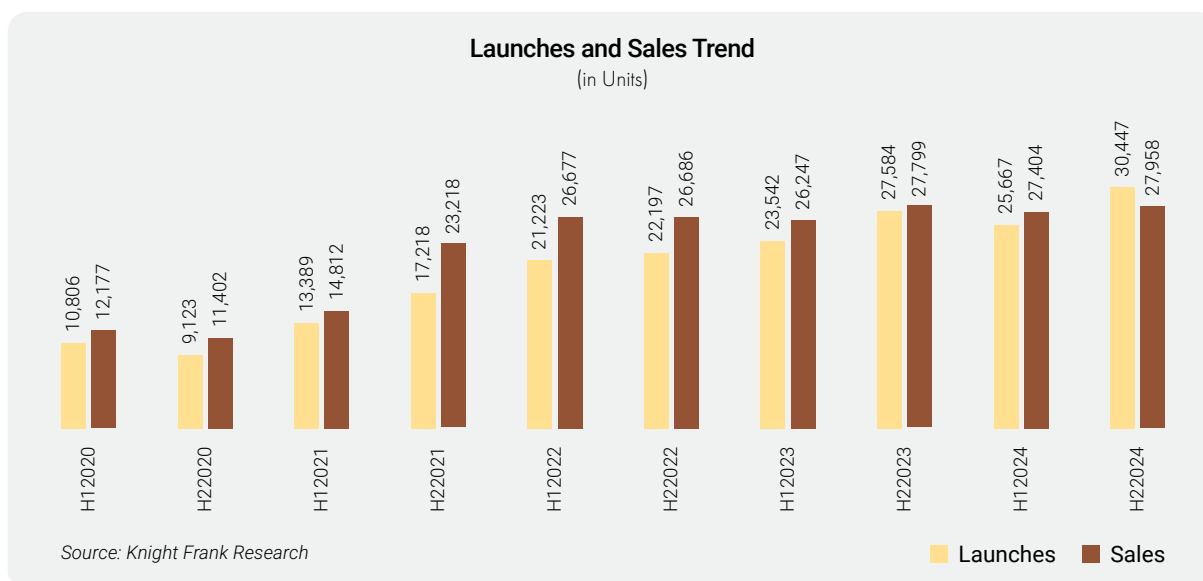
### MICRO-MARKET UPDATES

#### 1. Bengaluru

Bengaluru remains the bellwether for both residential and office real estate in India. In 2024, the city recorded 55,362 residential sales (up 2% YoY) and 56,114 launches (up 10% YoY), reflecting both sustained demand and developer confidence. The city's residential prices surged by 12% YoY—the highest among all major Indian cities—reaching ₹ 6,620 per sq ft. Bengaluru's unsold inventory stands at 54,131 units (up 1% YoY), but the QTS is a healthy 4.0 quarters, indicating robust sales velocity. The city's office market continues to thrive, driven by technology, GCCs, and flexible workspace demand, maintaining its status as India's Silicon Valley.

Source: Knight Frank

## Bengaluru Residential Launches & Sales



## Sobha's Performance in Bengaluru – FY25

Sobha Limited, headquartered in Bengaluru, generated approximately 61% of its sales volume from the Bengaluru market. In 2024-25, the company launched SOBHA Infinia, SOBHA Ayana, and SOBHA Townpark (including SOBHA Madison Heights and SOBHA Hamptons). The total area launched in Bengaluru for the year was 5.72 million square feet.

- SOBHA Infinia, a super luxury apartment project located at Agara Lake Road, spans 4.70 acres and connects Koramangala-Sarjapura-Outer Ring Road. Total saleable area of 477,003 square feet comprises of 196 units with 3 and 4 BHK specification.
- SOBHA Ayana, a luxury apartment project covering 6.28 acres, is part of SOBHA Dream Acres and is located on Panathur Main Road, Marathalli. Total Saleable area of 1,130,711 square feet comprises of 683 units in 3BHK specification.
- SOBHA Madison Heights and SOBHA Hamptons, situated within SOBHA Town Park and spread over 33 acres Total saleable area of 3,670,473 square feet comprises of 2,104 units with 1,2,3,4 BHK specification.
- Chartered Birdsong project launched under the Development Management model, is spread over 18.38 acres in Sadenahalli Village, Bengaluru. It offers a saleable area of 441,582 square feet comprised of 264 units.

The Company has ongoing projects aggregating to 23.26 million square feet of total developable area and 17.04 million square feet of saleable built-up area. Projects fully or partially under construction are elaborated below.

Sr. No.	Projects	Type	Saleable area (Mn. Sq. Ft.)
1	SOBHA Neopolis	Apartment	3.44
2	SOBHA Hamptons	Apartment	2.09
3	SOBHA Madison Heights	Apartment	1.58
4	SOBHA Crystal Meadows	Row house	1.25
5	SOBHA Ayana	Apartment	1.13
6	SOBHA Brooklyn Towers-Town Park	Apartment	1.01
7	SOBHA Manhattan Towers	Apartment	0.88
8	SOBHA Royal Crest	Apartment	0.65

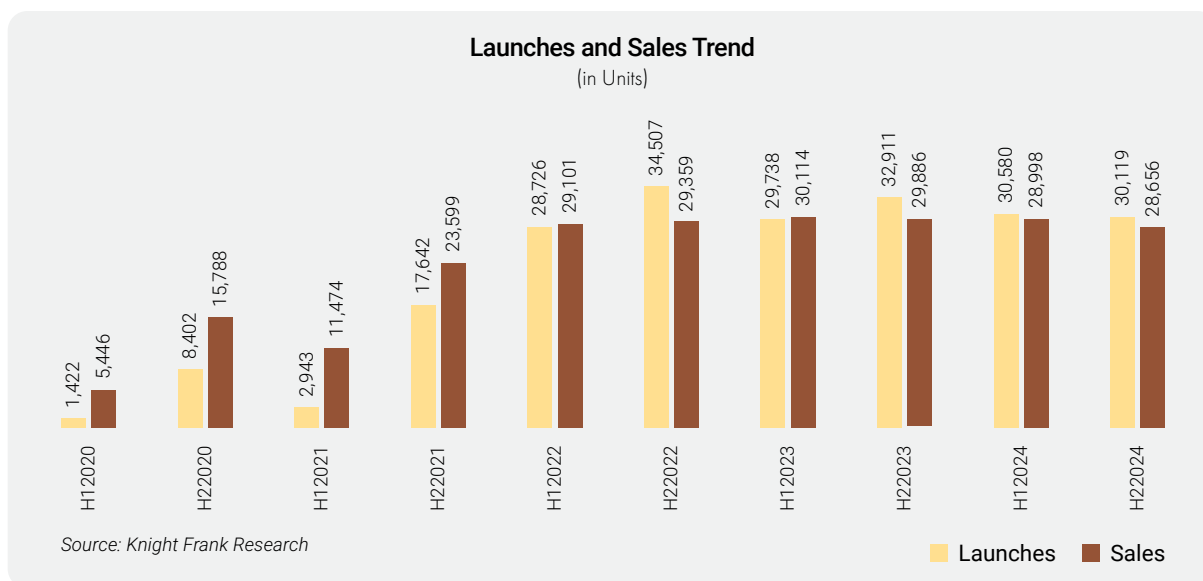
Sr. No.	Projects	Type	Saleable area (Mn. Sq. Ft.)
9	SOBHA Royal Pavilion	Apartment	0.61
10	SOBHA Dream Gardens	Apartment	0.57
11	SOBHA Infinia	Apartment	0.48
12	SOBHA Dream Acres	Apartment	0.48
13	SOBHA Victoria Park Phase I	Apartment	0.43
14	SOBHA Victoria Park Phase II	Row house	0.02
15	SOBHA Windsor	Apartment	0.40
16	SOBHA Sentosa	Apartment	0.34
17	SOBHA Oakshire	Row house	0.28
18	SOBHA Galera	Row house	0.13
19	SOBHA City – Athena	Apartment	0.12
20	SOBHA Insignia	Apartment	0.08
21	SOBHA Lifestyle Legacy	Villas	0.05
22	Chartered Birdsong (DM Project)	Plotted Development	0.25
23	Chartered Woodpecker (DM Project)	Plotted Development	0.09
24	Chartered Windsong (DM Project)	Plotted Development	0.44
25	Sterling Infinia (DM Project)	Apartment	0.23
<b>TOTAL</b>			<b>17.04</b>

## 2. Gurugram (NCR)

Delhi-NCR's residential market saw a marginal dip in sales, with 57,654 units sold in 2024 (down 4% YoY), and 60,699 launches (down 3% YoY). NCR's unsold inventory is 106,652 units (up 3% YoY), with a QTS of 7.3 quarters—higher than the national average, reflecting slower absorption. Price growth remains robust at 6% YoY, with average prices at ₹ 5,066 per sq ft. The office market in NCR is equally dynamic, benefiting from its status as a business and policy hub.

Gurugram retained its dominance as the preferred micro-market within NCR, with continued development of the Dwarka Expressway, along with the anticipated completion of key infrastructure projects, which will significantly enhance the area's connectivity and appeal. The Southern and Central Peripheral Roads continue to draw interest, fueled by a mix of premium projects that cater to HNI's seeking lifestyle upgrades.

### Delhi-NCR Residential Launches & Sales



## Sobha's Performance in Gurugram (NCR) – FY25

This year, the company has launched 2 new projects namely SOBHA Aranya and SOBHA Altus measuring total saleable area of 2.74 million square feet.

SOBHA Aranya is an uber-luxury project in Sector 80, Gurugram, spanning 31.28 acres. It is located within the expansive 270-acre biodiversity park of Karma Lakelands. Total Saleable area of 1,927,458 comprises of 524 units with 3 and 4 BHK specifications.

SOBHA Altus is a super luxury project located in Sector 106, Gurugram. The project spans 5.51 acres and offers easy connectivity to the Delhi-Jaipur Expressway. Total saleable area of 808,234 square feet comprises of 293 units with 3 and 4 BHK specifications.

In total, the company has 4 ongoing projects, aggregating 6.09 million square feet of total developable area and 4.26 million square feet of saleable built-up area, which will be developed and delivered in phases.

- SOBHA City Gurugram: A luxury project with a saleable area of 1.51 million square feet.
- International City Gurugram: A villa project with a saleable area of 0.01 million square feet.
- SOBHA Aranya: A luxury project with a saleable area of 1.93 million square feet.
- SOBHA Altus: A residential project with a saleable area of 0.81 million square feet.

### 3. Kerala

#### a. Kochi

Kochi, often hailed as the commercial and financial capital of Kerala, boasts a highly diversified and rapidly growing economy anchored by its robust service sector, thriving port activities, and dynamic industrial base. The city's strategic coastal location has fostered major sectors such as shipping, shipbuilding, seafood and spices exports, chemical and petrochemical industries, information technology (IT/ITES), tourism, healthcare, and banking.

Kochi is home to network of industrial parks like Infopark and Smart City, which have transformed it into a leading IT hub in the region. The district contributes significantly to Kerala's GDP, with construction, manufacturing, trade, tourism, and hospitality as significant drivers. Additionally, Kochi's retail sector is vibrant, hosting the largest shopping mall in India, while remittances from non-resident Indians and exports continue to play a vital role in its economic landscape.

Currently, the Company has 2 ongoing projects, comprising a total developable area of 3.59 million square feet and a super built-up area of 2.33 million square feet.

- SOBHA Atlantis: A residential development with a saleable area of 0.89 million square feet.
- Marina One: Residential development with a saleable area of 1.44 million square feet is under construction.

#### b. Thrissur

Thrissur, often called the "Cultural Capital of Kerala," is a major commercial and industrial hub with a diverse and resilient economy. The city is renowned gold jewellery manufacturing and serving as a center for gold trade, banking, finance, and retail. Thrissur is home to the headquarters of several prominent banks and financial institutions. The economy is further bolstered by robust industries such as textiles, tiles, timber, coir, and agro-based manufacturing, as well as a vibrant MSME sector.

Currently, the Company has 2 ongoing projects, SOBHA Metropolis and SOBHA Lake Edge, with a total developable area of 1.99 million square feet and a super built-up area of 1.38 million square feet.

- SOBHA Metropolis: A residential project with a saleable area of 1.14 million square feet.
- SOBHA Lake Edge: A residential development with a saleable area of 0.24 million square feet.

#### c. Thiruvananthapuram

Thiruvananthapuram anchors its economy primarily in the services sector, which has consistently outperformed the state average in both growth and contribution to overall output. The city's economic landscape is characterized by a high concentration of government institutions, educational centers, research organizations, and a burgeoning IT industry, with Technopark serving as a major hub for information technology and related services.

Currently, there are 2 ongoing projects in the affordable segment, with a total developable area of 0.58 million square feet and a super built-up area of 0.43 million square feet.

- SOBHA Meadows – Whispering Hills: A luxury apartment development with a saleable area of 0.20 million square feet.
- SOBHA Ridge – Whispering Hills: A luxury apartment development with a saleable area of 0.23 million square feet.

#### d. Kozhikode

Kozhikode, a principal commercial center in Kerala, serves as the major trade hub of North Kerala, leveraging its strategic connectivity by road, rail, and air to support a vibrant, business-oriented economy. The city has experienced a notable building boom, with rapid growth in retail infrastructure, including malls and high-rise buildings, further stimulating local commerce. Maritime trade remains important, supported by the intermediate port at Kozhikode, facilitating coastal shipping and trade activities.

Currently, the Company has 1 ongoing project SOBHA Bela Encosta, with a total developable area of 0.05 million square feet and a super built-up area of 0.02 million square feet.

#### 4. Ahmedabad (GIFT CITY)

Ahmedabad's residential market has rebounded and demonstrated consistent growth following the slowdown caused by the pandemic. This recovery has been driven by growing home buyers' confidence, leading to growing sales volumes. Robust demand has been seen in lifestyle-oriented projects featuring upgraded amenities and spacious designs to cater to evolving buyer needs.

Ahmedabad's real estate market has maintained steady growth, with 18,462 residential sales in 2024 (up 15% YoY) and 22,043 launches (down 2% YoY). The city's residential prices increased by 2% YoY, reaching ₹ 33,336 per sq m (₹ 3,097 per sq ft). Unsold inventory stands at 32,942 units (up 12% YoY), with a QTS of 7.6 quarters, reflecting a healthy market.

*(Source: Knight Frank, H2 2024)*

This year, we have successfully completed the sale of our first project in the region and the handover of 1 tower in SOBHA Dream Heights, with a saleable built-up area of 0.26 million square feet and 238 units.

Currently, there are 2 ongoing – SOBHA Avalon and SOBHA Elysia – with a total developable area of 2.03 million square feet and a super built-up area of 1.57 million square feet.

- SOBHA Avalon: Developable area of 0.42 million square feet and saleable area of 0.32 million square feet.
- SOBHA Elysia: Developable area of 1.61 million square feet and saleable area of 1.25 million square feet.

#### 5. Tamil Nadu

##### a. Chennai

Chennai's real estate market has maintained steady growth, with 16,238 residential sales in 2024 (up 9% YoY) and 17,431 launches (up 7% YoY). The city's residential prices increased by 7% YoY, reaching ₹ 51,726 per sq m (₹ 4,806 per sq ft). Unsold inventory stands at 16,729 units (up 8% YoY), with a QTS of 4.3 quarters, reflecting a well-balanced market.

*(Source: Knight Frank, H2 2024)*

Chennai's demand is driven by end-users seeking mid to premium housing, and developers have responded with projects catering to this demographic. The office market is buoyed by IT/ITeS, manufacturing, and logistics, with healthy absorption and rental stability.

This year, we launched a plotted development project in Chennai, SOBHA Conserve – which received an overwhelming response from clients. Located in Kelambakkam, the project connects to the renowned IT corridor. It spans 6.96 acres and offers a total saleable area of 189,667 square feet, comprising 124 plots.

Presently, the company has 2 ongoing projects, aggregating 0.70 million square feet of total developable area and 0.48 million square feet of super built-up area.

- SOBHA Arbor: A luxury apartment project with 0.39 million square feet of developable area and 0.29 million square feet of saleable area.
- SOBHA Conserve: A plotted development project with a total saleable area of 0.19 million square feet.

##### b. Coimbatore

Coimbatore, often referred to as the "Manchester of South India," stands out as a dynamic economic powerhouse in Tamil Nadu making it the state's second-largest city by economic output. Coimbatore is home to 4 operational Special Economic Zones (SEZs), with more in development, and its robust industrial base is supported by a skilled workforce produced by renowned educational and research institutions. Infrastructure advancements – including the Metro rail project, airport expansion, and improved road connectivity – are further enhancing the city's appeal for investment and export-oriented industries. Additionally, Coimbatore is emerging as a hub for semiconductor manufacturing, startups, and green industries, while its thriving retail, hospitality, and medical tourism sectors reflect rising consumer demand and urban prosperity.

- The new project, SOBHA Mountain Mist, was launched and completed within the same year. The total saleable area was 118,518 square feet comprises of total 88 plots.
- Currently, we have no ongoing projects in the region.

## 6. Pune

Pune's residential market achieved all-time highs in 2024, with 52,346 units sold (up 6% YoY) and a remarkable 59,548 launches (up 40% YoY). The city's price growth is robust at 6% YoY, with average prices at ₹ 51,426 per sq m (₹ 4,778 per sq ft). Unsold inventory increased to 46,416 units (up 18% YoY), but the QTS is just 3.7 quarters—the lowest among major metros, indicating exceptional market health and absorption. Pune's demand is broad-based, spanning affordable to premium segments, and is supported by a strong IT/ITeS sector, manufacturing, and educational institutions. The office market is similarly vibrant, with high absorption and declining vacancy rates.

(Source: Knight Frank, H2 2024)

The company ventured into the Pune market in 2007-08 with the launch of 'SOBHA Carnation', a super luxury multi-storied apartment project.

Currently company has one ongoing project SOBHA Nesara. During this year we had successfully handed over one tower from the project.

## Comparative City Metrics: 2024

City	Sales (units)	Launches (units)	Unsold Inventory	QTS (quarters)	Price (₹ /sq. ft.)	Price YoY Growth
Bengaluru	55,362	56,114	54,131	4.0	6,620	12%
Delhi-NCR	57,654	60,699	106,652	7.3	5,066	6%
Chennai	16,238	17,431	16,729	4.3	4,806	7%
Pune	52,346	59,548	46,416	3.7	4,778	6%
Hyderabad	36,974	44,013	52,544	6.0	5,974	8%
Ahmedabad (GIFT City)	18,462	22,043	32,942	7.6	3,097	2%

Source: Knight Frank Research, H2 2024

## OPERATIONAL AND FINANCIAL PERFORMANCE

Housing demand held steady throughout FY2025 supported by strong economic fundamentals. The IMF and CRISIL have projected India to grow resiliently by 6.5% in FY 2026 as well. Office space absorption across major cities remained strong, recording a 15% y-o-y growth during January to March 2025, driven by sustained demand for Grade A offices. These indicators continue to support stable residential demand across India's top cities amid constrained supply. While domestic fundamentals remain

- SOBHA Nesara: Residential project with a saleable area of 0.44 million square feet.

## 7. Hyderabad

Hyderabad's residential market hit new records in 2024, with 36,974 sales (up 12% YoY) and 44,013 launches (down 6% YoY). Prices grew by 8% YoY to ₹ 5,974 per sq ft. However, unsold inventory rose sharply to 52,544 units (up 15% YoY), and the QTS is 6.0 quarters—higher than in Bengaluru or Pune, indicating some supply-demand imbalance.

(Source: Knight Frank, H2 2024)

The city's market is characterized by strong demand for premium and luxury homes, but developers must monitor supply closely to avoid oversaturation. Hyderabad's office market is among the fastest-growing in India, driven by IT, GCCs, and flex spaces.

The company ventured into the Hyderabad market last year. Somajiguda is a commercial center in Hyderabad, situated on either side of Raj Bhavan Road.

The company launched SOBHA Waterfront - a luxury apartment project in FY 2023 with a developable area of 0.80 million square feet and a super built-up area of 0.65 million square feet.

strong, the emergence of global trade warfare introduces risks, the repercussions of which are expected to unfold over time.

In this backdrop, SOBHA recorded a total sales value of ₹ 62.77 billion in FY 2025, with a new sales area of 4.68 million square feet and an average price of ₹ 13,412 per square foot. Bengaluru contributed 58.0% and Gurugram 19.9% to the overall sales value. Gurugram achieved its highest ever annual sales of ₹ 12.49 billion, driven by the launch of two projects during the year. Kerala reported steady sales from existing inventory, contributing 13.3%,

while Tamil Nadu registered ₹ 1.70 billion — an increase of 73.0% over the previous year — supported by two plotted development launches in FY 2025. Pune region witnessed improved traction following completion of one tower, while Hyderabad registered a growth of 21.1% over FY 2024.

Below is Company's financial and operational highlights for the year 2024-25.

### Key financial highlights:

- Registered total income of ₹ 41,628 Million
  - Real estate operations contributed ₹ 33,782 Million (81.2%)
  - Contracts and manufacturing operations contributed ₹ 6,605 Million (15.9%)
  - Other income contributed ₹ 1,241 Million
- PBT of ₹ 1,330 Million at a margin of 3.2%
- PAT of ₹ 947 Million at a margin of 2.3%
- Total operational cash inflow of ₹ 61,841 Million
  - Real estate operation contributed ₹ 55,184 Million (89.2%)
  - Contracts and manufacturing operations contributed ₹ 6,657 Million (10.8%)
- Net operational cash flows generated ₹ 11,741 Million
- Successfully completed Rights Issue and received proceeds of ₹ 19,961 Million
- Net cashflow generated for the period was ₹ 18,926 Million
- Debt Equity ratio as on March 31, 2025 was (0.14)

### Cash Flows

The cash flow summary for the financial year 2024-2025 under direct cash flow method is as follows:

(in ₹ million)	
Particulars	2024-25
Operational Cash inflow	61,841
Operational Cash outflow	50,100
Net Operational Cashflow	11,741
Net Financial Cashflow (Incl. Right issue inflow)	18,191
Net Cashflow after Financial activities	29,933
Net Cash flow	18,926

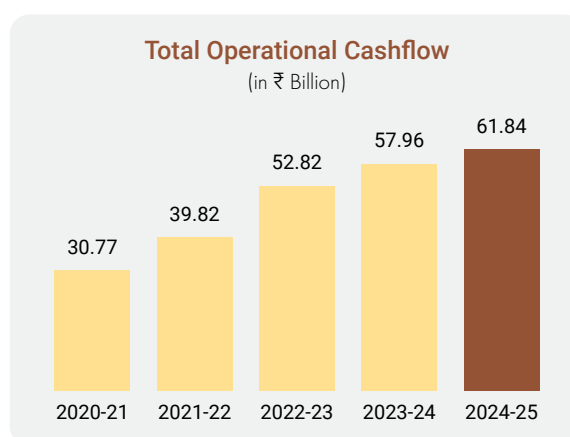
The Company has collected ₹ 61,841 Million during the year from real estate, contractual and manufacturing activities. After spending on construction expenses for real estate,

contractual, manufacturing activities, overheads, etc. the net operating cashflows were ₹ 11,741 Million.

Out of the above, the Company has utilised ₹ 1,469 Million towards payment of interest.

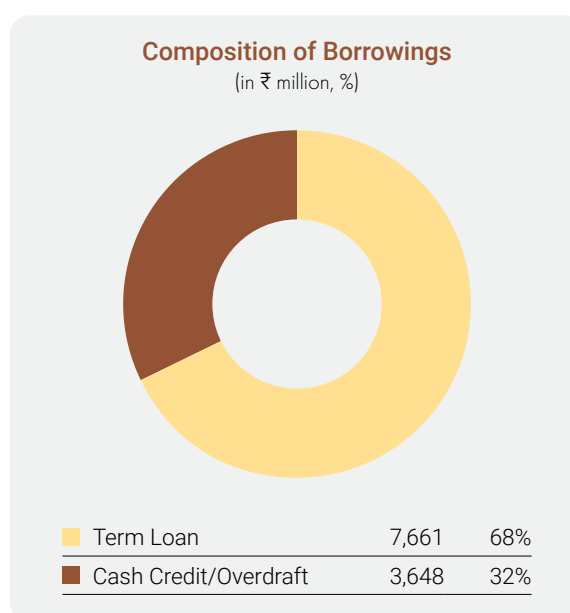
The Company has spent ₹ 10,348 Million towards land payments during the year, and also collected ₹ 885 Million from sale of Land. In addition to this, the Company incurred ₹ 1,544 Million towards capex expenditure.

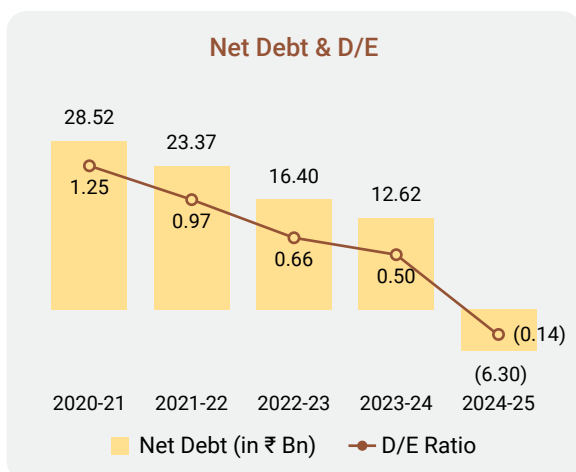
Company has recorded a Net positive Cashflow of ₹ 18,926 Million.



### Debt

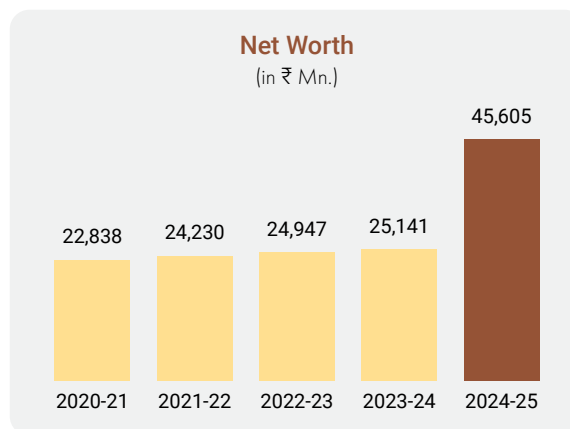
As on March 31, 2025, the net debt of the Company was ₹ (6,304) Million as compared to ₹ 12,622 Million in the previous year. The debt-equity ratio stood at (0.14) at the close of the financial year.





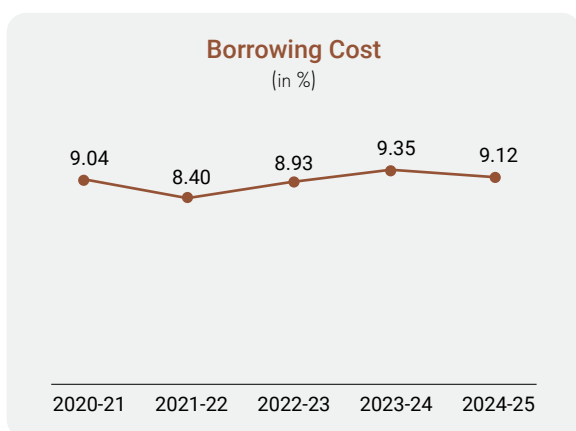
## Net Worth

The net worth of the Company as on March 31, 2025 was ₹ 45,605 Million.



## Borrowing Cost

As of March 31, 2025, the average borrowing cost stood at 9.12 %.



## Fixed Assets

During the financial year 2024-25, the gross addition to Fixed Assets was ₹ 1,197.79 million. This is about 13% addition on Gross Fixed assets of FY 2023-24 on account of investment in scaffolding items and additions to Plant and Machinery.

## Current Assets

During the financial year 2023-24, the Current Assets increased by ₹ 34,230.22 million as compared to the previous year. This is mainly on account of increase in inventories by ₹ 18,758.36 million and increase in Cash and bank balance by ₹ 11,355.72 million.

## Current Liabilities

During the financial year 2023-24, the Current Liabilities increased by ₹ 13,038.89 million, mainly due to increase in Advance from Customers and liabilities under JD agreements FY 2025, and decrease in borrowing.

## STATEMENT OF CHANGES IN KEY FINANCIAL RATIOS PURSUANT REGULATION 34(3) AND 53(F) READ WITH SCHEDULE V OF SEBI (LODR) REGULATIONS, 2015

Particulars	Consolidated Basis			Standalone Basis			Remarks
	FY 2025	FY 2024	Change %	FY 2025	FY 2024	Change %	
Inventory Turnover <sup>(1)</sup>	0.35	0.19	86.22%	0.38	0.31	23.19%	On account of increased inventory and rising revenue
Current Ratio	1.25	1.08	15.97%	1.25	1.06	17.52%	NA
Debtors Turnover ratio	3.75	7.07	-46.99%	3.49	3.31	5.58%	NA

Particulars	Consolidated Basis			Standalone Basis			Remarks
	FY 2025	FY 2024	Change %	FY 2025	FY 2024	Change %	
Interest Coverage Ratio (times)	1.68	1.3	29.23%	1.82	1.28	42.19%	As a result of substantial principal repayments
Debt Equity ratio	0.25	0.76	-67.11%	0.25	0.79	-68.79%	A significant portion of the borrowings has been repaid out of the proceeds from the Rights Issue
Net Profit Margin (%) <sup>(2)</sup>	0.02	0.02	0.00%	0.03	0.02	77.32%	The growth is attributable to an increase in turnover and the recognition of revenue from higher-margin projects
Operating Profit Margin (%)	0.08	0.10	-20.00%	0.08	0.10	-15.84%	NA
Return on Net worth (%) <sup>(3)</sup>	0.04	0.02	100.00%	0.03	0.02	67.04%	Attributable to the increase in turnover

<sup>(1)</sup> On account of decrease in revenue which lead to decrease in Cost of goods sold

<sup>(2)</sup> Turnover for the financial year decreased due to which profit reduced significantly

<sup>(3)</sup> Net surplus to shareholders decreased due to reduction in profit

## Credit Rating

During the year the borrowings of the Company have been rated by:

- ICRA as 'AA-' (Stable)
- India Ratings and Research (Ind-Ra) as 'IND AA-' (Stable)

## Key Operational highlights:

- During FY 2024-25 the company has completed total developable area of 7.40 Million Square feet amounting to 4.73 Million square feet of saleable built-up area:
  - o In Real Estate we completed 7.21 million square feet of developable area translating to 4.54 Million square feet of saleable built-up area comprising of 3008 homes across 9 cities
  - o In contractual we delivered 0.19 million square feet of project in Bengaluru
- Launched 8 new projects across 4 cities with total saleable area of 8.76 Million square feet
- As on 31<sup>st</sup> March 2025, the company has 39.72 Million Square Feet of developable area (saleable built-up area of 28.60 Million Square feet) in Real Estate and 3.86 million square feet of developable area in contractual projects under construction

## SEGMENTWISE FINANCIAL AND OPERATIONAL PERFORMANCE

### A. REAL ESTATE

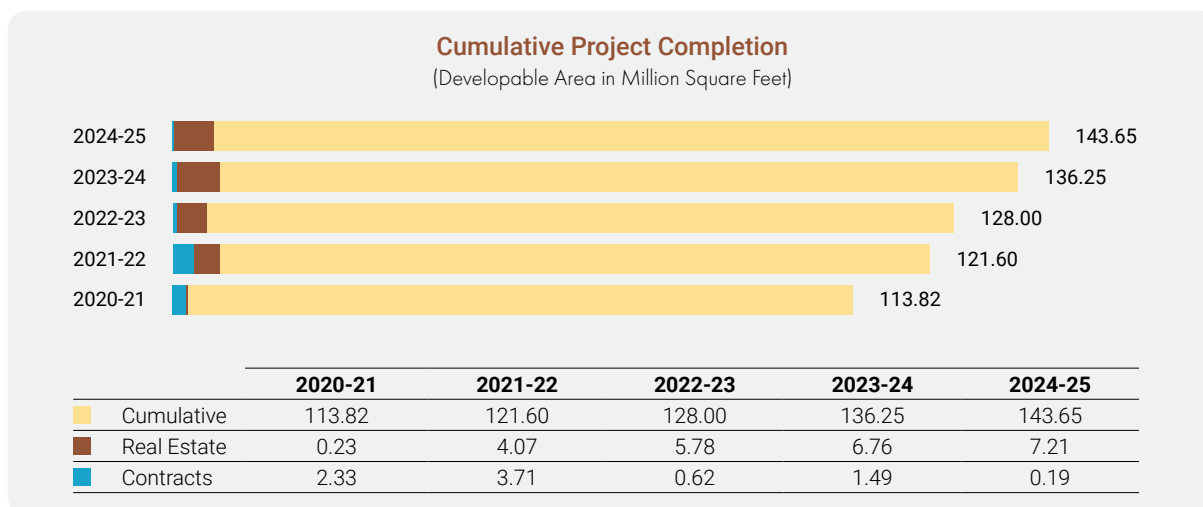
Following are the financial performance of the Real Estate Vertical:

(in ₹ million)

Particulars	2024-25	2023-24	2022-23	2021-22	2020-21
Revenue – Real Estate	33,782	24,138	25,238	18,437	13,103
Share of total Revenue (%)	81.15%	75.01%	74.18%	69.70%	60.67%

## Overall Execution

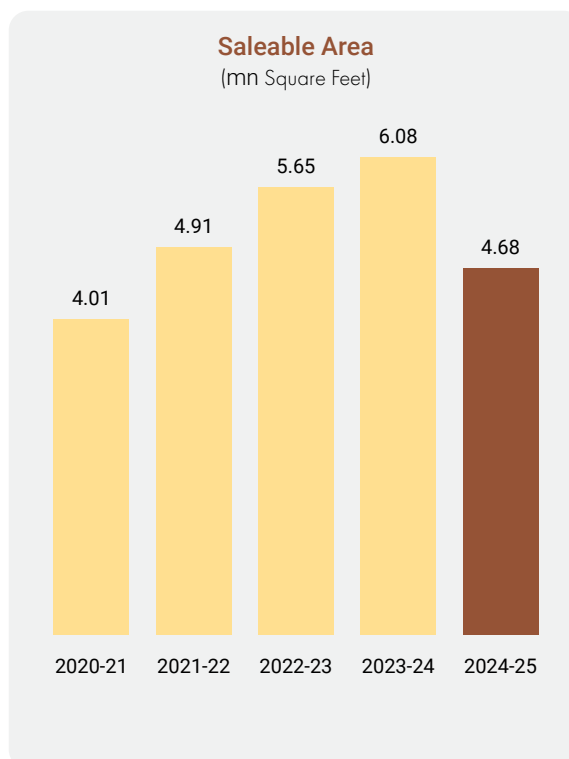
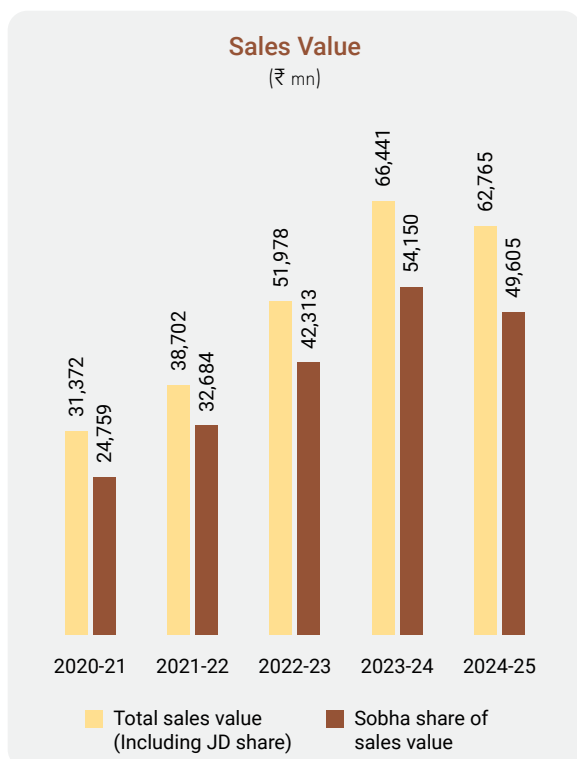
SOBHA has developed overall 143.65 million square feet of area since inception. The Company has been maintaining its consistency of launching new projects and construction progress. Projects under construction are excluded from the purview of overall execution.

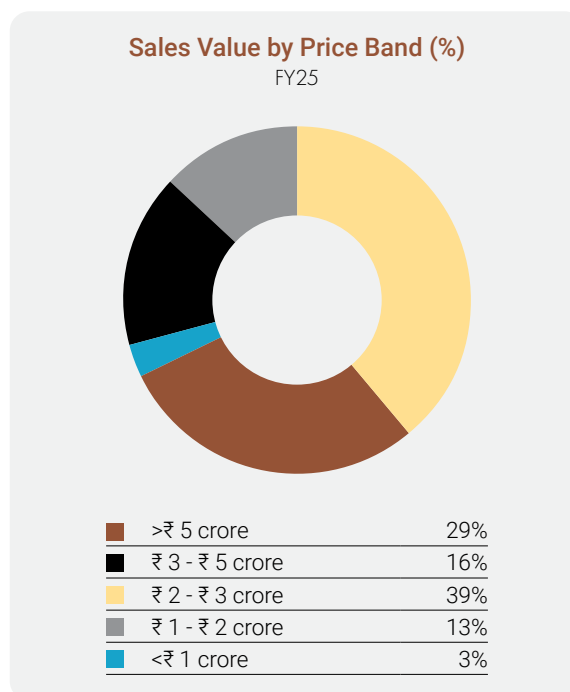
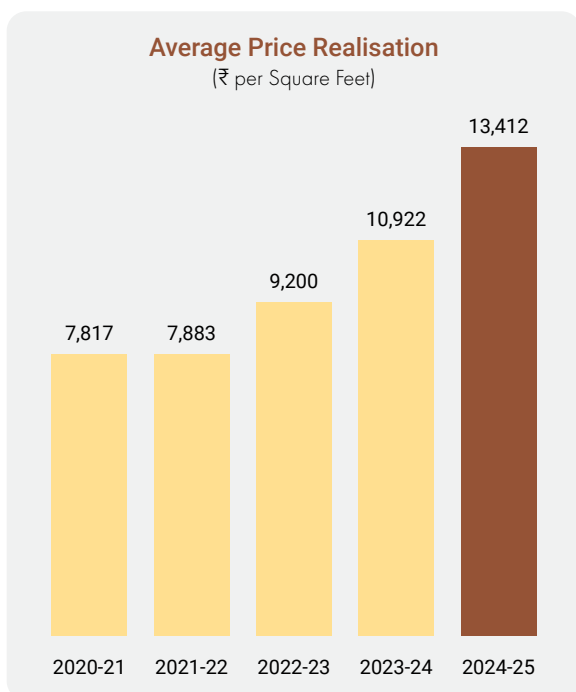


## I. Residential Real Estate

Residential real estate operations of the Company are currently spread across 11 cities with developable area of 39.72 Million Square feet under construction.

During the year, Sobha achieved new sales totalling 4.68 million square feet with total sales value of ₹ 62,765 million, and average price realization of ₹ 13,412 per square feet. Sobha's share of the sales value was ₹ 49,605 million. This demonstrates that customers trust Brand Sobha as their preferred choice for quality homes.





Despite commercial products, Sobha's prime focus remains on residential business to generate positive cash flows through speedy delivery & revenue realisation and to ensure appropriate investment in the best available opportunities.

#### Project Launches in FY 2024-25

In FY2025, Company has launched 8 new projects with total saleable built-up area of 8.76 Million square feet.

Sr. No.	Projects	Location	Type	Saleable Area	Launch Month
1	SOBHA Aranya	Gurugram	Apartment	1,927,458	Apr-24
2	SOBHA Conserve	Chennai	Plotted Development	189,667	Apr-24
3	SOBHA Mountain Mist	Coimbatore	Plotted Development	118,373	May-24
4	SOBHA Altus	Gurugram	Apartment	808,235	Jun-24
5	SOBHA Infinia	Bengaluru	Apartment	477,003	Aug-24
6	SOBHA Ayana	Bengaluru	Apartment	1,130,711	Nov-24
7	SOBHA Townpark (SOBHA Hamptons & SOBHA Madison Heights)	Bengaluru	Apartment	3,670,473	Feb-25
8	Chartered Birdsong (DM*)	Bengaluru	Plotted Development	441,582	Mar-25

\*DM refers to project under Development Management Model

## Project Completion in FY 2024-25

SOBHA has completed 7.21 million square feet of developable area and 4.54 million square feet of saleable built-up area comprising of 3,008 homes.

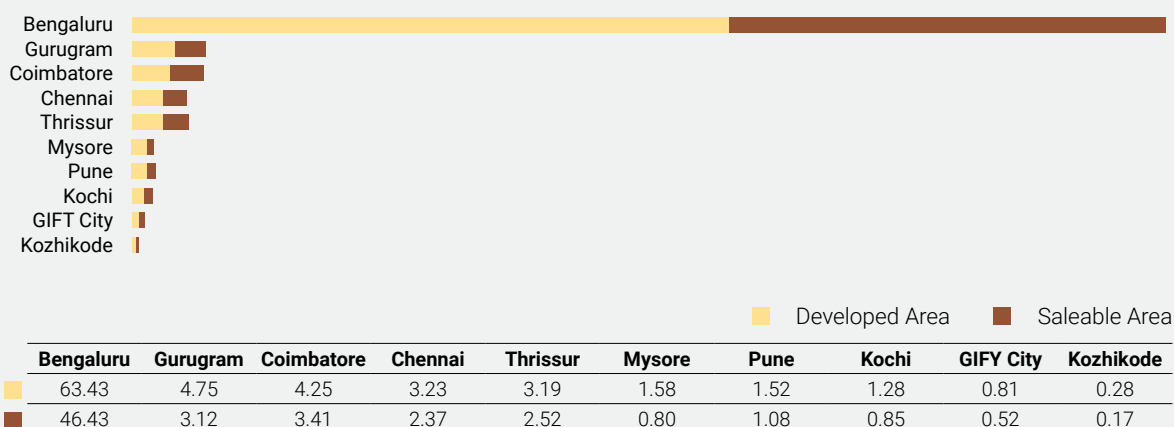
Sr. No.	Projects	Location	Product Type	Units	SBA
1	SOBHA Windsor	Bengaluru	Apartment	473	850,636
2	SOBHA Royal Pavilion	Bengaluru	Apartment	302	492,187
3	SOBHA Dream Gardens	Bengaluru	Apartment	455	464,940
4	SOBHA Lake Gardens	Bengaluru	Apartment	296	420,233
5	SOBHA Dream Acres	Bengaluru	Apartment	356	359,123
6	SOBHA Sentosa	Bengaluru	Apartment	249	308,427
7	SOBHA Dream Heights	GIFT City	Apartment	237	261,056
8	Marina One	Kochi	Apartment	100	248,505
9	SOBHA City Gurugram	Gurugram	Apartment	144	245,305
10	SOBHA Nesara	Pune	Apartment	90	200,864
11	SOBHA Rajvilas	Bengaluru	Apartment	80	180,082
12	SOBHA Victoria Park	Bengaluru	Row house/Apartment	70	134,042
13	SOBHA Mountain Mist	Coimbatore	Plotted Development	88	118,373
14	SOBHA Silver Estate	Thrissur	Villas	32	89,155
15	International City Gurugram	Gurugram	Villas	13	67,707
16	SOBHA Bela Encosta	Kozhikode	Villas	9	38,752
17	SOBHA Lifestyle	Bengaluru	Villas	4	30,378
18	SOBHA West Hil Part C Phase 2	Coimbatore	Villas	6	17,703
19	SOBHA Gardenia Annex	Chennai	Villas	4	15,519
<b>Total</b>				<b>3,008</b>	<b>4,542,988</b>

Completion is taken on basis of Tower/Wing for apartment projects and in case of Villas/row houses/Plots basis individual unit completion.

Since inception, Company has completed real estate projects measuring 84.31 million square feet of developable area amounting to 61.28 million square feet of saleable built-up area.

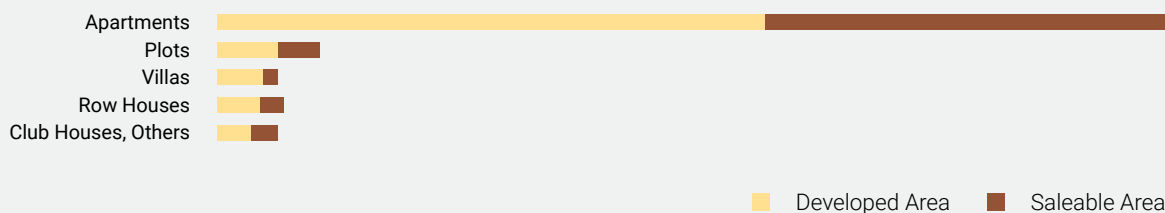
### Real Estate Completed - Location Wise Breakup

(Area in million square feet)



### Real Estate Completed - Product Mix

(Area in million square feet)



	Apartments	Plots	Villas	Row Houses	Club Houses, Others
Developed Area	62.76	7.10	5.20	4.95	4.31
Saleable Area	45.94	5.39	2.97	3.64	3.34

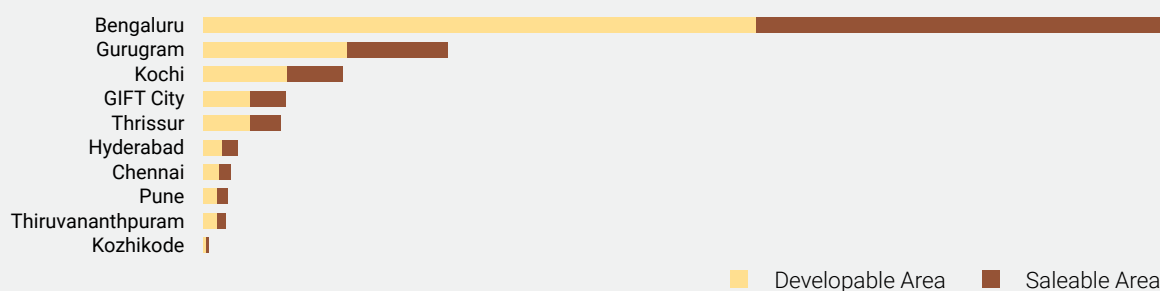
### Ongoing Projects

The Company is currently executing 43.58 million square feet of developable area amounting to 32.46 million square feet of saleable built-up area in real estate and contractual verticals put together.

SOBHA currently has ongoing real estate projects aggregating 39.72 million square feet of developable area amounting to 28.60 million square feet of saleable built-up area spread across 11 cities.

### Real Estate Ongoing - Location Wise Breakup

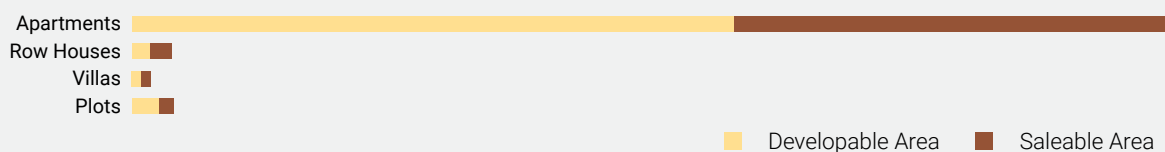
(Area in million square feet)



	Bengaluru	Gurugram	Kochi	GIFY City	Thrissur	Hyderabad	Chennai	Pune	Thiruvananthapuram	Kozhikode
Developable Area	23.26	6.09	3.59	2.03	1.99	0.81	0.70	0.62	0.58	0.05
Saleable Area	17.04	4.26	2.33	1.57	1.38	0.65	0.48	0.44	0.43	0.02

### Real Estate Ongoing - Product Mix

(Area in million square feet)



	Apartments	Row Houses	Villas	Plots
Developable Area	36.20	1.16	0.70	1.66
Saleable Area	25.86	1.28	0.50	0.97

## II. Commercial Real Estate

As of March 31, 2025, the company has two commercial malls in this business vertical. The first is 'SOBHA City Mall' in Thrissur, which commenced operations in December 2015. It total leasable area of 0.32 million square feet.

The second offering in this vertical is the "1 SOBHA" mall in Bengaluru, with a total leasable area of 0.23 million square feet. The launch of "1 SOBHA" mall in Bengaluru signifies Sobha's entry into the city's commercial shopping space.

Sobha has primarily focused on the residential real estate category since its inception, with only a sporadic presence in the commercial segment. Although the company has developed landmark commercial projects such as Thrissur's most iconic landmark, the "SOBHA City Mall," its presence in this segment has remained relatively limited. Now, the company has renewed its focus on commercial developments, with several projects underway in multiple cities.

**SOBHA City Mall** at Thrissur has a total leasable area of 0.32 million square feet out of which our share of leasable area is 0.28 million square feet. It commenced its operations from December 2015.

**1 SOBHA Mall** in Bengaluru has a total leasable area of 0.23 million square feet of which our share of leasable area being 0.15 million square feet.

(in ₹ million)

Particulars	2024-25	2023-24	2022-23	2021-22	2020-21
Rental Income from Operating leases	623.86	618.27	478.24	395.82	206.04

'SOBHA City Mall' in Thrissur, has a total developable area of 0.43 million square feet and the "1 SOBHA" mall in Bengaluru, has a total developable area of 0.23 million square feet.

## III. Contractual:

Following is the performance of the Contracts Vertical:

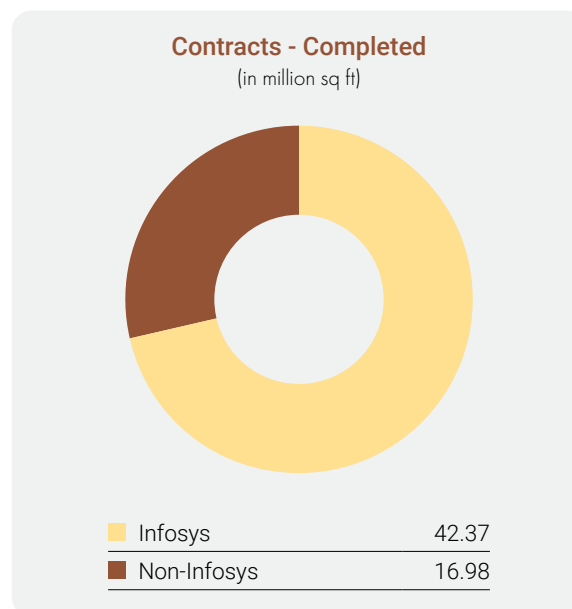
(in ₹ million)

Particulars	2024-25	2023-24	2022-23	2021-22	2020-21
Revenue – Contractual	3,150	3,088	3,622	4,633	5,325
Share of total Revenue (%)	7.56%	9.60%	10.65%	17.52%	24.31%

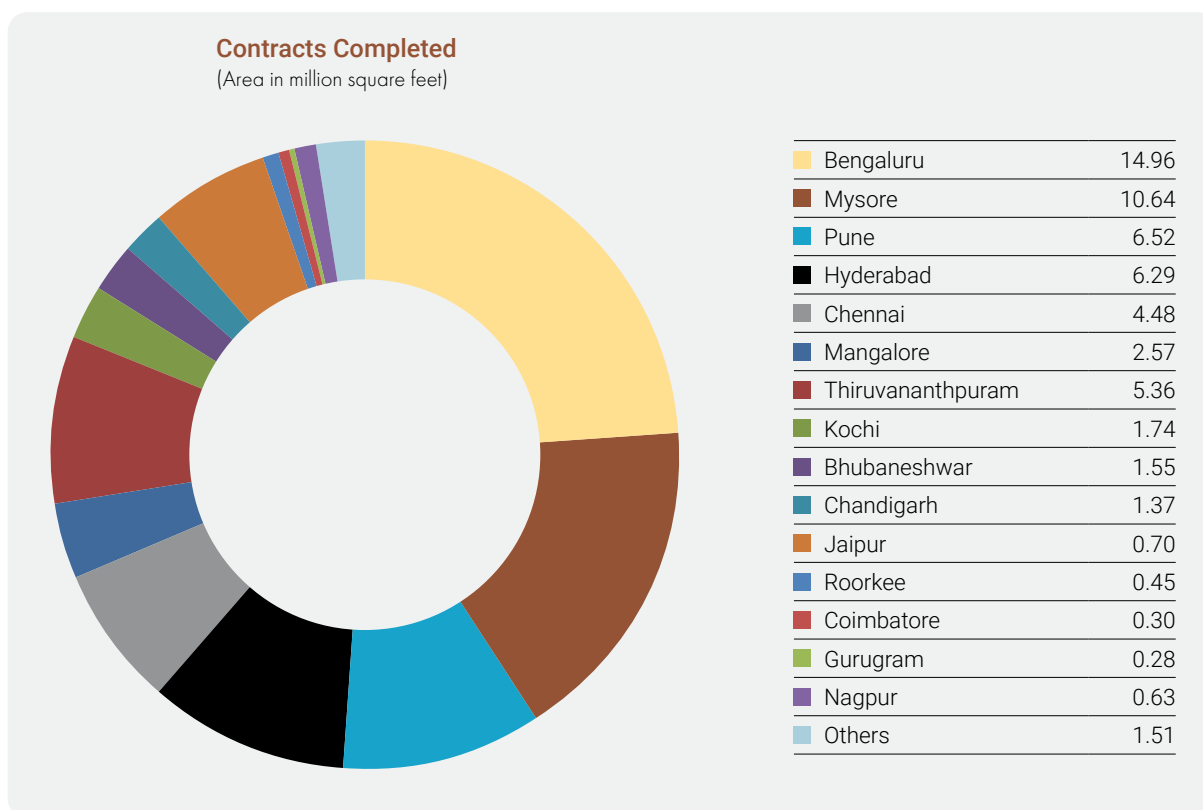
During the year 2024-25, revenue from this vertical contributed around 8% to the Company's turnover. The contracts vertical has been executing orders ranging from civil structures, finishes, MEP works, metal and glazing works and interior furnishings for various reputed clients. Total ongoing contractual orders under execution is 3.86 million Square Feet.

While Sobha values long-standing relationships with a select group of clients – who contribute a major share of the total work done in this vertical – there is an emphasis on diversifying the client base to reduce Sobha's risk portfolio. The company is actively involved in major contractual projects across India, supporting geographical diversity and a multi-client approach. Corporate clients include the Lulu Group, Biocon, Dell, Bosch, Syngene, Taj Hotels, HCL, Wipro, Infosys, ITC Hotels, Huawei Technologies, Manipal Group, GAR Corporation, and others.

Sobha's ability and capacity to deliver high-quality, custom-designed turnkey projects, along with its domain knowledge to address tough challenges, have earned a loyal customer base for the contract division. In the contractual vertical, Sobha has a presence in 27 cities across 14 states.



During the financial year 2024-25, the Company has completed 0.19 million square feet in Bengaluru. Since inception, SOBHA has completed 59.35 million square feet of area for various clients in 27 cities across India. The company has executed over 42.37 million square feet of area for single and largest client, 'Infosys'.



Note: Others include Durgapur, Noida, Greater Noida, Salem, Baddi, Indore, Kolkata, Palakad, Thrissur, Ooty, Kozhikode and Mumbai.

### Ongoing Contractual:

SOBHA has ongoing contractual projects aggregating 3.86 million square feet of development in 2 cities. In Bengaluru we are executing 3.37 million square feet and in Sonipat 0.49 million square feet.

## B. MANUFACTURING & RETAIL SALES

Following is the performance of the Manufacturing and Retail Sales Vertical:

	(in ₹ million)				
Manufacturing Units	2024-25	2023-24	2022-23	2021-22	2020-21
Glazing and Metal Works	1,575	1,724	2,626	1,208	1,452
Interiors	787	984	831	738	799
Concrete Products	914	843	649	520	411
Retail Sales	178	192	134	77	8
Total	3,454	3,743	4,240	2,543	2,670
Share of Revenue (%)	8.30%	11.63%	9.61%	9.61%	12.19%

SOBHA has pioneered complete vertical integration in Real Estate industry in India. It is the only Company with own manufacturing facilities to cater to building materials. Company has the infrastructure, capabilities, skills and resources to deliver a project from conceptualisation to completion with all in-house teams, backed by this unique strength. This gives the company an absolute control over the product quality and execution timelines to meet requisite standards. Construction materials manufactured in our own facility help us to ensure that the products are superior in quality and the Company has a minimal dependence on external suppliers. We believe this model has been one of the most important factors for our successful execution track record without compromising on the quality.

Our manufacturing divisions comprises of Glazing and Metal Works, Interiors and Furnishing Works and Concrete Works, which supplements our core business of real estate and contracting. Each of these manufacturing divisions is also a profit centre by itself and is efficiently servicing 3<sup>rd</sup> party clients as well.

Under retail sales division, Company manufactures wide range of mattresses and also provide one-stop solution for home buyers, allowing them the flexibility to furnish and decorate their homes through a wide range of interior packages available online and at our retail stores under metercube sub-brand.

## I. Glazing and Metal Works Division

The Company owns one of the largest Glazing and Metal factories in India operated in Bengaluru. The facility is spread across 99,943 sq. ft. state of the art manufacturing unit. The factory is equipped with advanced machineries like CNC profile cutting machine, TIG welding machines, ACP routing machine, Milling machines etc. Apart from Bengaluru unit, the Company has established Glazing and Metal Works Divisions in Kancheepuram (Tamil Nadu) and Sonipat (Haryana). The Products manufactured in the said facilities include aluminum doors, windows, structural glazing, MS and SS metal fabrications, aluminum composite panel, SS cladding, architectural metal works and pre-engineered buildings.

Products	Installed capacity (2024)	Production (2024)	Installed capacity (2025)	Production (2025)
Unitized curtain wall (square meters)	153,500	84,900	153,500	40,100
Semi-unitized curtain wall (square meters)	21,000	9,300	21,000	6,500
M. Streeel (meters)	12,000	7,850	12,000	5,450
S. Steel (meters)	100	50	100	50
Windows and Doors (square meters)	68,000	65,000	78,000	76,400
Solid Sheet Cladding (square meters)	40,000	31,000	40,000	23,000
Aluminum Fins (rmt)	6,000	5,000	6,000	2,000
Aluminum Louvers (square meters)	21,000	11,500	21,000	13,500

## II. Interiors Division

The interior and furnishing division of the Company is one of the largest wood working /joinery facilities in India. The division has two highly mechanized factories with total floor area of 2,55,000 Sq. ft. located at Bommasandra, Bengaluru. The division is equipped with imported machineries from Spain, Italy, and Germany. The Company has Interiors Division in Alwar, Rajasthan also. The product range includes large scale corporate and residential interiors, solid wood veneer paneled doors and MDF paneled doors, customized joinery works like paneling, partitions, tables, loose furniture like chairs, sofas, Cots and modular kitchens etc.

Products	Installed capacity (2024)	Production (2024)	Installed capacity (2025)	Production (2025)
Doors (number of units)	67,200	42,048	67,200	31,859
Furniture (number of units)	26,000	17,310	26,000	6,002

### III. Concrete Products Division

The Company has a fully automated concrete product division which uses remote controlling systems. The manufacturing facility in Bengaluru spread over 348,477 Sq. ft. manufactures various concrete products of international quality. The unit has the imported technologies from Germany (Masa Plant) and England. In addition, the Company has opened concrete products divisions in Gurugram and Pune also. The units are manufacturing ready-to-use products, including concrete blocks, pavers, kerb stones, water drainage channels, paving slabs, and landscape related products. The facility has a production capacity of 28,000 nos of Blocks/ day or 20 million nos of Landscaping products.

Products	Installed capacity (2024)	Production (2024)	Installed capacity (2025)	Production (2025)
Blocks (number of units)	6,351,000	6,056,409	9,855,000	6,469,237
Pavers (square feet)	4,726,750	3,804,740	4,726,750	4,703,248
Kerb (number of units)	1,022,000	758,373	1,022,000	796,518

### IV. Retail Sales

The company manufactures mattresses under "SOBHA Restoplus" brand which includes multiple mattress combinations. The mattresses come in a variety of designs and features, from pocketed, bonnell, re-bonded and foam to rolled, coir and pure latex mattresses.

**metercube** is our one-stop solution for home buyers, allowing them the flexibility to furnish and decorate their homes through a wide range of interior packages available online. **metercube's** interior packages offer, among others, semi-finished options with kitchens and wardrobes, as well as fully furnished homes for living rooms and bedrooms.

Products	Installed capacity (2024)	Production (2024)	Installed capacity (2025)	Production (2025)
Mattress (number of units)	30,000	11,423	30,000	17,333

### OUTLOOK

India's real estate market in 2024-25 was characterized by strong sales growth, surge in new project launches, and robust price growth across both residential and office segments, supported by strong economic fundamentals, shifting consumer preferences, and the agility demonstrated by developers in responding to evolving market demands.

A defining feature of this period is the ongoing premiumization of the housing sector. There is a clear shift towards premium and luxury housing in the segment priced between ₹ 20-50 million. This trend reflects a growing appetite among buyers for high-quality, amenity-rich living spaces, and is driving developers to focus on upscale projects.

Despite the surge in premium housing, the market is also contending with a rise in unsold inventory, particularly in higher ticket size segments. However, this increase is counterbalanced by strong sales velocity and a notable decline in Quarters to Sell (QTS) metrics, signaling that

the market remains fundamentally healthy. The ability to maintain a balance between supply and demand, even as inventory builds up in certain segments, highlights the resilience of the sector.

The office market is another area of strength, demonstrating exceptional resilience and adaptability. Record levels of office space absorption, declining vacancy rates, and the rapid expansion of flexible workspaces are testament to the sector's capacity to evolve in response to changing business needs. These trends underscore the enduring appeal of Indian office real estate to both domestic and international occupiers.

Government policy and infrastructure development continue to play a pivotal role in supporting the sector's growth. Initiatives aimed at providing housing for all, significant upgrades to urban infrastructure, and a series of pro-business reforms have collectively created a supportive environment that encourages investment and sustains momentum across the industry.

It is also important to recognize the nuanced dynamics at play within individual micro-markets. Each major city exhibits its own unique trends: Bengaluru and Pune are leading the way in both absorption and price growth, reflecting strong demand and limited supply. In contrast, the National Capital Region (NCR) and Hyderabad are grappling with higher levels of unsold inventory, even as luxury segments in Delhi-NCR continue to perform well. Chennai, meanwhile, has managed to maintain a steady and balanced profile, avoiding the extremes seen in other markets.

The Reserve Bank of India's recent 3 consecutive interest rate cuts, resulting in a total reduction of 100 basis points in 2025 so far, bode well for the real estate sector. With lower borrowing costs making home loans more affordable, encouraging more buyers – particularly in the mid- and premium housing segments. This is expected to stimulate demand and drive sales growth.

As India's real estate sector enters 2025, the combination of premiumization, a balanced supply-demand equation, office market resilience, benign interest rates, and supportive policy measures positions it for continued success. The sector's ability to adapt to shifting consumer preferences and market conditions will be crucial in sustaining this trajectory. Ongoing infrastructure upgrades and a focus on meeting diverse market needs are expected to further bolster growth, cementing India's status as a global real estate powerhouse.

## **OPPORTUNITIES**

India's real estate sector is experiencing renewed momentum, underpinned by strong urban demand, rising

disposable incomes, and a favorable policy environment. Sobha Limited, backed by its established brand equity, proven execution capabilities, and strategic presence in key geographies, is well-positioned to leverage this upward trajectory. The growing preference for high-quality housing, consolidation within the sector favoring organized players, and the increasing adoption of digital sales channels further strengthen the Company's growth prospects. Moreover, sustained government focus on affordable housing and large-scale infrastructure development presents substantial long-term opportunities for expansion and value creation.

## **THREATS**

While the industry outlook remains optimistic, several challenges persist. Regulatory delays, policy uncertainties, and inflationary trends in construction materials continue to exert pressure on project costs and timelines. Prolonged approval processes and evolving compliance requirements can further impact operational efficiency. In addition, a tight labor market and rising input costs may affect the pace of execution. Interest rate fluctuations and tighter monetary policies also have the potential to dampen homebuyer sentiment and affect affordability, especially in pricesensitive segments, thereby posing risks to sustained sectoral momentum.

## **RISKS & CONCERNS**

For more detailed information on Risks and Concerns, please refer to the Board's Report on page number 155.

## **INTERNAL CONTROLS**

For more detailed information on Internal Controls, please refer to the Board's Report on page number 69.

## HUMAN RESOURCE

At the heart of our continued growth and success is a strong and engaged workforce. In the financial year 2024-25, we remained focused on nurturing a high-performance culture, enhancing employee well-being, and building organizational capabilities aligned with our strategic goals.

We continued to invest in attracting, retaining, and developing top talent across all levels. Structured training programs and leadership development initiatives were strengthened to support the personal and professional growth of employees. Over 64120 no's of training man hours were delivered this year, covering technical, functional and behavioural competencies.

Fostering an inclusive and collaborative work environment remains a key priority. Our annual employee engagement survey reflected a good participation rate with good scores in some of the key dimensions of a great place to work

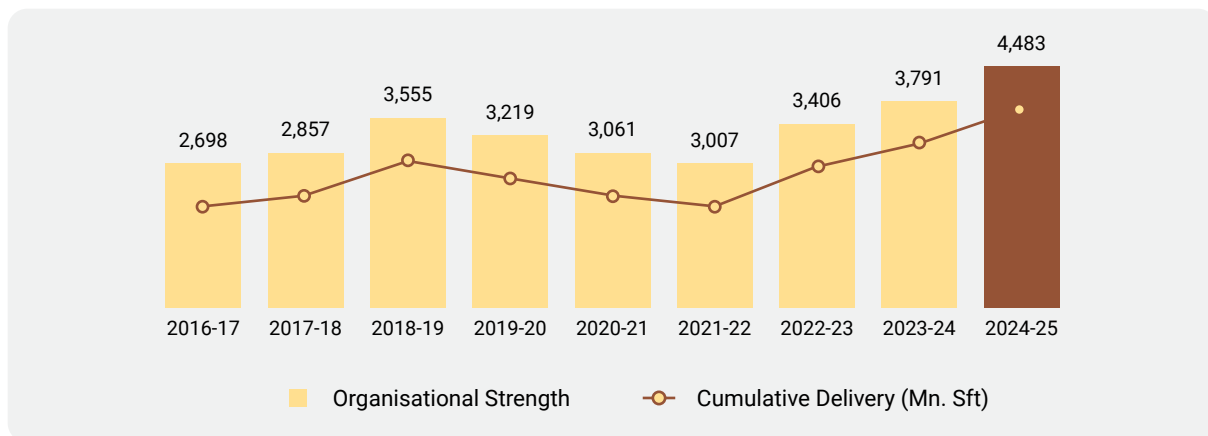
such as Credibility, Pride and Camaraderie. Initiatives such as wellness programs contributed positively to employee morale and productivity.

The company maintained its commitment to employee well-being by strengthening health and safety protocols and maintaining a zero-tolerance approach to unsafe practices. We ensured compliance with all statutory requirements and implemented proactive measures for a safe and supportive work environment.

Going forward, the HR function will continue to align closely with business strategy, with an emphasis on digital HR transformation, workforce agility, and leadership development. Our priority remains to empower our people and build a future-ready organization.

SOBHA's organisational strength as on 31<sup>st</sup> March 2025 was 4483 employees excluding 22 consultant's as against 3814 as on 31<sup>st</sup> March 2024.

A comparative table depicting the employee strength as against the cumulative delivery is given below:



## Training and Development

Training and developing employees is a must for any organization to be successful. This can be done through ensuring that the employees' skills, abilities, and knowledge are constantly updated both to meet world standards and also to satisfy discerning and demanding customers' needs. Training also helps employees move up in their career paths and helps them take on more responsibilities. SOBHA too benefits as a company through this training as it helps it to plan succession roles, address the challenges of changing technologies and opens up the possibilities of widening the scope of the work that it does.

At SOBHA, the organisational training and development plan includes in-house and external workshops/seminars as per need.

The trainings provided to employees has resulted in boosting productivity, increasing employee satisfaction, fostering organizational learning culture, creating a safe working environment and the upgradation and updation of technology. It has also led to improvements in leadership and management skills and quality, higher productivity, and the resultant optimum ROI.

Training at SOBHA is broadly divided into Technical, Behavioural, Sales and Adhoc.

### Technical Training

Project Execution employees are trained at different levels to help them become the best in class by mastering the latest technological developments in the field.

During FY 2024-25, 87 technical training and induction programmes were conducted in which 566 employees out of 820 employees were trained including renominations. These trainings were conducted for employees working in Bengaluru, Kerala, Chennai, Pune, NCR, Ahmedabad, Hyderabad and other locations where SOBHA has projects.

**Management Trainee and Junior Management Trainee:** A total of 4 batches aggregating to 88 employees were trained for a total period of 42 days.

**Technician Supervisor Training:** A total of 47 programs were conducted for both Sobha and non-Sobha Rolls in which 312 employees out of 427 employees including renominations were trained during this year.

### **Behavioural Training**

At SOBHA behavioural training is equally important as it helps empower employees to leverage their positive skills. Behavioural training helps enhance employees' ability to handle conflicts, helps in creating win-win situations, accommodating changes and flexibility and following a dynamic approach. Since behavioural training polishes skills and develops talent, it also contributes to an individual's overall development. Behavioural training at SOBHA covers a range of subjects including team building, time management and developing motivational, leadership and interpersonal skills.

During 2024-25, 96 behavioural training programmes were conducted for employees at different levels in which 904 employees out of 1272 employees including renominations were trained.

In addition, 179 Adhoc (Behavioural, Technical and Technician Supervisor) training programmes were also conducted during the year which were attended by 1282 employees at different levels.

**Sales Training:** A total of 49 batches aggregating to 192 training programs covering 2404 employees (a 4-day module).

**Other Training programs:** A total of 59 department centric programs attended by 1719 employees.

In all, the Leadership Development and Training department has conducted 1091 training programmes covering 14181 participants including employees of non-Sobha rolls during the year FY 2024-25.

### **Training, a continuous exercise**

SOBHA's training wing, SOBHA Academy, conducts training on a regular basis. The Company assesses employee performance to gauge employee skills and provide them requisite training for enhancing their skills.

# Environment, Health, and Safety

Ensuring a healthy and safe work environment involves developing safe, high quality, and environment friendly processes, working practices, and activities that prevent or reduce the risk of harm to the people working in that environment. It also involves complying with environmental regulations such as managing waste or air emissions for reducing the company's carbon footprint.

At SOBHA, procedures are in place for identifying workplace hazards and reducing accidents and exposure to harmful situations and substances thus providing a safe work environment to its workers. This includes training employees in accident prevention, accident response, emergency preparedness, and use of protective clothing and equipment.

SOBHA is an ISO 9001, ISO 14001, and OHSAS 18001 certified company for its quality, environment, and safety management systems.

## ENVIRONMENT

SOBHA strives to ensure that its construction, development activities, and real estate operations are environmental friendly. The company complies with all environmental and occupational health and safety laws and regulations such as the Water (Prevention & Control of Pollution) Act, 1974; amendment 1988 and the rules made thereunder, the Air (Prevention & Control of Pollution) Act, 1981 and the rules and orders made thereafter; the Environment (Protection) Rules, 1986 and amendments made thereafter, Environmental Impact Assessment Notification, 2006; and Hazardous Waste (Management, Handling & Trans boundary movement) Rules, 2008 and amendments made thereafter, Construction and Demolition Waste Management Rules, 2016 and the amendment made thereafter, across all its projects wherever applicable. The company also focuses on minimizing emissions and increasing the use of renewable resources both in its construction activities and during the operations phase in its manufacturing facilities where all attempts are made to keep the carbon footprint low by following the best industry practices.

The company has installed a pre-cast unit for its construction activities. Instead of using the conventional block work or bricks for its construction activities, The company uses pre-cast elements which come with many advantages. They are fast to make, consume less labour, lead to minimal wastage, and do not need plastering work. These pre-cast elements use minimum resources while also reducing wastage at the same time.

## Energy Saving Measures

The company practices energy conservation by installing solar panels for lighting common areas and solar water heaters in all its projects. Some of the highlights in its energy saving measures are:

- The SOBHA Glazing and Metal Works Division provided with 225kW and the SOBHA Interiors Division provided with 750kW roof top solar power plants as an alternate source of energy.
- At the SOBHA corporate office, 80% of the power is wheeled from the solar power plant.
- Around 2.3 million units of solar power were used across SOBHA's facilities which resulted in saving the carbon footprint by 1,700 tons.
- Use of heat pumps and solar water heaters instead of geysers to reduce power consumption.

## Rainwater Harvesting

Rainwater harvesting is another effort by the company for addressing the acute problem of water scarcity. Rainwater harvesting has emerged as one of the most viable options for meeting the water requirements of an increasing population. Rainwater harvesting also helps restore depleted aquifers thus enhancing sustainable water yields in areas surrounding SOBHA's project sites.

Rainwater harvesting is done in two ways: through collection tanks for roof-based runoffs and through recharge tanks with recharge bores/percolation pits for land-based runoffs. Wherever feasible in residential projects, even surface runoff is collected in storage tanks and after treatment the water is used for primary purposes further reducing the demand for external fresh water. Water from the terrace runoffs is treated and re-used thus reducing the need for getting water from external sources or extracting groundwater to meet a project's requirements.

## Sewage Treatment Plants

The company uses specially designed Sewage Treatment Plants (STPs) to treat the waste water generated in its buildings. The treated water is used for secondary activities like flushing toilets, watering the landscape areas, cleaning the common areas, and at construction sites for dust suppression. The STPs help reduce a project's consumption of fresh water in its various activities.

STPs use a hybrid technology – the Activated Sludge Process (ASP) – Extended Aeration System (EAS) or Sequential Batch Reactor (SBR) followed by the Ultra

Filtration (UF) technology for enhancing the quality of the final treated sewage. This process conforms with the standards set by the Pollution Control Board and also Screw Press is provided for sludge dewatering where it compresses the sludge to remove moisture producing dried sludge for easy disposal.

Acoustic enclosures are being provided for air blowers to mitigate noise pollution that can possibly be caused in the vicinity. Ozonators are being provided at STPs' exhaust and fresh air ducts to remove odour and also improve the quality of air for the operators working inside the plant room. Air curtains are also provided at the STPs' entrance to prevent the odour from escaping into the open area. The company has regular educational programmes for its construction workers on the do's and don'ts of using natural resources. The company also constructs dedicated STPs for camps where the construction workers stay.

### **Organic Waste Converters**

The company has been successfully using Organic Waste Converters (OWCs) across all its projects in India. It is mandatory to use solid waste management plants during the operational phase of all projects. The integrated solid waste management system operates on the principle of the 4Rs - Reduce, Re-use, Recycle, and Recover.

Waste is segregated at the household level into organic/inorganic waste and collected in separate bins. Organic waste is converted into compost using Organic Waste Converters. The compost is used as organic manure for the landscape and plantations at project sites. Inorganic waste is given to authorized waste recyclers for further processing.

Air curtains are provided at the OWC rooms' entrances to prevent the odour escaping from the OWC rooms into the open area. Fly catchers are provided to prevent houseflies, insects etc. from entering the OWC rooms. A weighing scale is provided in the OWC rooms to track the quantity of organic waste generated at the project site.

Organic waste generated in and around the projects during the construction stages is diverted to nearby piggery farms and the local municipal corporation while the inorganic waste is handed over to authorized waste recyclers. All these efforts help the company in restoring eco-sanitation wherever it works.

### **Water Treatment Plants (WTPs)**

For ensuring safe and healthy drinking water, The company provides treated water with Pressure Sand Filters and Reverse Osmosis units in all its projects. The RO treated water is provided at one point in the kitchen for drinking, while water for non-potable domestic purposes is supplied after basic treatment. Dual Media Filter followed by

Softener & Centralized Reverse Osmosis system. The treated water from the RO system is provided for both Domestic & Drinking usage. The soft water is blended in order to maintain the TDS level to <400 ppm for domestic usage. TDS level of <100 ppm is maintained for Drinking water.

### **Laboratory Facility for Water Testing**

The company has a functional chemical laboratory and a microbiological laboratory at the SOBHA Academy to analyse water samples for physicochemical and microbiological parameters. This laboratory is managed by qualified personnel and equipped with instruments like the pH meter, DO meter with probe, COD reactor, spectroflex meter, BOD incubator, centrifuge, a water distillation unit, laminar flow, biological incubator, electron microscope, digital colony counter, and autoclave which are essential for ascertaining the quality of the water from physicochemical and microbiological points of view.

### **HEALTH AND SAFETY**

Safety is integrated in the company's core processes to help inculcate the value of Health and Safety among its workforces. The Company strongly believes that Environment Occupational Health and Safety (EOHS) are an integral part of our day-to-day activities at the workplace. Continuous efforts are made to raise awareness and understanding about the value of safety and health programmes across the spectrum including management leadership and workers. A systematic approach at finding and fixing hazards in the workplace form a part of these programmes.

The EOHS management system at the company is effective as it is partnered by an effective leadership and owned by every employee of the Company. This shows a demonstrably strong commitment to Occupational Health, Safety and Environment from the top management in implementing industrial best practices and achieving the Company's goal of zero accidents.

### **Existing/New Practices & Implementation:**

- Revised the company logo for all the safety documents i.e checklist, format and training records.
- Planned EOHS policy new background design and company new logo.
- Zero Non-Compliance regarding Safety PPE at PAN India projects.
- Revised and implemented all the project and workmen camp signages as per IS 9457.
- Revised and implemented fall protection (Safety nets) colour code from green to tan.

- Implemented China camp accommodation facilities for workmen.

**Govt. Officials Visits/Safety Inspections:**

- Govt. officials from Factories audited few projects and submitted closure reports on time.

**Safety Trainings:**

- Achieved 79% of trainings on Health and Safety measures for all the permanent, Contractor (Technicians) and sub-contractor employees.

**Health:**

- Projects & offices, for all the pantry, canteen food handlers initiated & implemented a specific health check-up by our Inhouse Doctors.

**Achievement:**

- FY 2024-25, Achieved ZERO fatal Accidents with 58.00 million Manhours worked for PAN India Projects.
- Sobha Marina one Winning National Safety Award (NSC-Kerala chapter) in 1<sup>st</sup> position for the 3<sup>rd</sup> consecutive time for construction category.
- Sobha Marina One Kochi received certificate of appreciation from (NSCI) National Safety Council of India Safety Awards 2024.
- Sobha Metropolis, Sobha Atlantis and Sobha Whispering Hills received certificate of appreciation from (NSC) National Safety Council -Kerala Chapter Awards 2024.

# Corporate Social Responsibility

CSR at SOBHA is a sincere devotion that stems out of genuine concern and drive to provide comprehensive and sustainable social development to rural India. It is in this context that Sri PNC Menon, Founder and Chairman emeritus of SOBHA Limited, established Sri Kurumba Educational and Charitable Trust in 1994. The Trust has been in existence for more than three decades for the holistic development of the marginalised families in Kizhakkencherry, Vadakkencherry and Kannambra Grama Panchayats of Palakkad District. In 2006, the Trust initiated GRAAMASOBHA, a unique social development initiative, under which numerous social welfare projects are implemented.

During these 30 years of period, tremendous changes have been witnessed in the lives of the people in the target area of the Trust, among which, the Trust has played a pivotal role in the social empowerment of these families facilitating quality life-building resources, facilities and services.

In this social engineering process, education has been the core premise on which the Trust undertook most of our activities and programs in an institutional format and have been successful to a large extent in revamping the educational narratives in this otherwise backward district of the state. The SOBHA Academy and SOBHA ICON have played a crucial role in transforming the lives of many families by providing quality education. In parallel, SOBHA Health Care has extended free healthcare services, ensuring access to essential medical support. Collectively, the Trust has brought about significant improvements in the livelihoods of people across the three Panchayats.

The Trust had identified nearly 4,525 needy families (around 17,311 people) in 2016, in a comprehensive survey. Beneficiary identity cards were issued to the adopted families. As a result, the Trust has detailed an authentic data about each beneficiary and his or her individual requirements. Based on the data, the Graamasobha model was developed. The lives of thousands of underprivileged citizens are getting positively transformed through this growth model, which has a bottom-up approach towards poverty alleviation in a long-term perspective. The beneficiary families have been selected through an in-depth scientific poverty mapping called Social Empowerment Mapping Exercise (SEME) with the following objectives:

- To identify and enlist genuine beneficiary families from the three panchayats (6 villages) using defined norms and terms.
- To generate qualitative and multi-dimensional 'Baseline Reports' on the target families, so that

specific programs and activities can be implemented for their benefit.

- To devise target-based, area-specific empowerment programs and activities in key human development areas like education, health, employment, housing, etc.
- To design an effective mechanism to measure and monitor progress and the pace of the empowerment programs of the Trust.

**Mainly, company's CSR activities focus on the following areas:**

- Education
- Healthcare
- Looking after the aged and needy
- Women empowerment
- Green initiatives

**A summary of the activities and programs undertaken by the Trust during the FY ended March 31, 2025 are provided below:**

## THE SOBHA ACADEMY

The SOBHA Academy, with a view of uplifting the weaker sections of the society through quality and free education, has been rendering its selfless service in the three panchayats, viz. Kizhakkenchery, Vadakkenchery and Kannambra since its inception. The school provides its entire services free of cost. It is one of the several humanitarian educational, healthcare and women empowerment activities undertaken by the Trust. Focused mainly on the holistic development of students, The SOBHA Academy admits only children from socio economic deprived sections. All applications are scrutinised to ensure that only the deserving candidates are given access to the free and quality education the Academy provides. Selected students undergo a medical fitness test and the final selection of students is done through an open draw. Every academic year, 90 girls are admitted to LKG through the process of drawing lots. The Sobha Academy embraced the National Education Policy-2020 by initiating the Preparatory Class or Balavatika 1 (Pre-KG) on its campus, aligning with CBSE directives.

The Academy, which follows the CBSE curriculum, provides all academic and related expenses—such as fees, books, stationery, clothing, transportation, food, and healthcare—completely free of charge. During 2024-25, 1,170 students were on the rolls from Pre-KG to Class 12.

## Academics

Achieving academic excellence is at the heart of the endeavour of all educators and academic institutions. An important measure of this pursuit is how the institution has performed, the most important of which is the annual Board Examinations conducted by the CBSE.

We are proud to acknowledge that we have good results, achievement in academics, co-curricular and extracurricular activities throughout the session. During the 2024–25 academic year, many students achieved impressive results, reflecting the steadily improving academic performance at The SOBHA Academy.

## Academic Initiatives

The SOBHA Academy has demonstrated its commitment to academic and creative excellence through several key initiatives. "Spellapalooza 2024", held on December 14, 2024 with 15 schools participating, concluded with SOBHA Academy winning the championship and featured an inspiring speech by Chief Guest Mr. P. Vijayan IPS, ADGP. Histrio Fest 2024, conducted on December 31, 2024 showcased student talent in dance, drama, and music, with performances like Roommates and traditional dances, and was graced by theatre artist Dr. N R Gramprakash. On January 18, 2025 SOBHA STEAM fest 2025 celebrated innovation with 390 students exhibiting projects across STEAM disciplines, in the presence of Chief Guest Dr. Kannan C S Warriar, Director of the Kerala Forest Research Institute. These events reflect the Academy's dedication to fostering inquiry, creativity, and well-rounded growth.

## Trainings

The SOBHA Academy has actively invested in professional development to enhance teaching effectiveness and leadership. Four teachers participated in the 'Our Responsibility towards Children' training by Mission Better Tomorrow at Sri Kurumba Auditorium. A three-day Digital Skilling and Upskilling Workshop (May 14–16, 2024) led by Mr. Mujeeb Rahman focused on ICT integration, Microsoft tools, cyber safety, and AI literacy in education. The Leadership Training for Teachers conducted by the Centre for Learning Leadership and Excellence (June 3–5, 2024) empowered 72 educators through insightful sessions led by expert trainers. In November 2024, a series of Capacity Building Programs covered topics like the National Curriculum Framework, innovative pedagogies, and language instruction strategies. Additionally, teachers attended CBSE training sessions organised by the Palakkad District Sahodaya, focusing on curriculum planning and classroom management, fostering collaboration and continual improvement.

## SOBHA ICON

Icon was started in 2010 as a constructive step towards improving the academic performance and communication skills of students in our CSR area. It has three segments:

- An Academic Advancement Program for high school students (8<sup>th</sup>-10<sup>th</sup>).
- An intensive Higher Secondary Education Program (11<sup>th</sup> - 12<sup>th</sup>) towards college enrolment.
- A mentoring program for UG studies.

Sobha Icon, a social empowerment education initiative of the Trust, has brought wonders to the three otherwise lesser-known panchayats in Kerala's Palakkad district by sending their children for education to premier centres of learning across the country. Icon is an illustrative case for educational policy makers about what happens to students from disadvantaged families, when quality educational resources, facilities, and services are provided in a sustained manner by a committed team with a sense of purpose. Icon has designed a replicable model for driving students toward personal excellence.

The Icon is not an affiliated school but a teaching and learning centre that functions within the scope of the Kerala State Council for Open and Lifelong Education. A total of 211 students were enrolled across all three segments during the 2024-25 academic year.

Students are provided with books, uniforms, and food in addition to regular and tuition classes by qualified teachers, and undergo a series of personal development activities along with their studies. Students are exposed to real-world life problems and opportunities and are motivated to pursue higher goals. There are no failures so far. In fact, it has a consistent record of academic excellence and hundred percent college enrolment. 48 out of the 56 students who appeared for the class 12<sup>th</sup> board exam secured A1 in all subjects and 51 students scored more than 95 percent. Many programmes were arranged for the personality development and capacity-building of students and they also attended many workshops such as "Out of the box thinking through mathematics" by IIT Madras. Teachers too received training on effective teaching and they successfully completed a course titled "Teach 2030".

## UG Admissions

UG admissions of all alumni students have completed, with Icons receiving admissions from different universities across the countries. As usual, Icon students have received admissions to prestigious universities like Plaksha, LPU, St. Thomas, CVV, NIFT, IHM-KOVALAM, Ambedkar Law University, Victoria College, Azim Premji University, Vidyashilp University, etc. Twenty-seven students appeared for the HCL TechBee Aptitude Test.

## SOBHA HEALTH CARE

Established in February 2007 by Sri Kurumba Educational and Charitable Trust to provide Primary Health Care facilities to the residents of the SOBHA Hermitage, students of The SOBHA Academy and identified Below Poverty Line (BPL) families of Kizhakkencherry, Vadakkencherry and Kannambra Panchayaths of Palakad District at 100% free of cost.

### Hospital has got following facilities:

- Cardiac and Pulse Oxiymetry
- Centralised Oxygen, Suction provision
- 3 and 12 Channel E.C.Gs
- Digital Ultra Sound Scanning System and ECHO Test
- 300 MA X-Ray with computerised Radiology (CR)
- Laboratory with Automatic Haematology and Bio-chemistry Analysers
- Minor Operation Theatre
- Pharmacy
- Ophthalmology Department with Automatic Digital Equipment, Auto refractometer, Slit lamp, indirect ophthalmoscope and direct ophthalmoscope.
- Dental Department with Ultra-Modern Unit with PLANMECA RVG Unit, Intra Oral Camera, Fiber Optic Twin Beam Micro Motors.
- Physiotherapy Unit with Short Wave Diathermy, Ultra Sound Therapy, Interferential Therapy, Traction Unit (Cervical and Lumbar), TENS, Wax Therapy and Portable TENS.

During the financial year 2024–25, a total of 33,451 individuals benefited from various health services under SOBHA Health Care initiatives. This includes 22,567 General OP patients, 1,353 Dental OP patients, 759 Ophthalmology OP cases, 707 Physiotherapy patients, and 37 Clinical Psychology consultations. In addition, 6,819 patients were reached through Medical Camps, 131 Home Care Visits were made, and 1,078 individuals received treatment through Ahalia Eye Camps. The patient inflow has increased by more than 70% compared to the previous year's total of 19,178, reflecting the program's significantly growing outreach and impact.

As part of its outreach efforts, SOBHA Health Care has been actively conducting medical camps across the three Panchayats, bringing essential healthcare services directly to underserved communities. In the financial year

2024–25, a total of 84 medical camps were organised, benefiting 6,819 patients. These camps have seen growing demand and appreciation from the public. In addition, the Home Care Visits initiative focused on bedridden patients who are unable to attend camps or visit the health centre. In 2024–25, 131 patients were reached through this initiative, receiving both physical and mental care. Family members were also guided on providing appropriate support, ensuring holistic well-being for patients and caregivers alike.

In collaboration with Ahalia Foundation Eye Hospital, SOBHA Health Care organised eye camps across various locations throughout the year. A total of 1,078 patients benefited from the camps, receiving diagnoses for common vision issues, corrective measures, and referrals for advanced treatment when required. The initiative significantly contributed to improving eye health and awareness in the region.

## SOBHA HERMITAGE

SOBHA's CSR initiatives extend their focus to include care for the elderly, alongside their commitment to supporting the youth. SOBHA Hermitage, established with the specific purpose of offering shelter and assistance to seniors from marginalised communities, now stands as a model old age home. In addition to providing accommodation, SOBHA Hermitage ensures residents have access to essential amenities for a comfortable lifestyle, including independent living spaces, a library, communal television area, and internet facilities. Round-the-clock medical care, overseen by paramedical staff with on-call doctor services, is also available, alongside an in-house clinic. Cultural and social events, as well as birthday celebrations for residents, are regularly organised at the Hermitage.

## SOBHA ACADEMY HOSTEL

The hostel facility for students at The SOBHA Academy, initiated on June 18<sup>th</sup>, 2022, remains operational, accommodating 138 girls from the 9<sup>th</sup>, 10<sup>th</sup>, 11<sup>th</sup>, and 12<sup>th</sup> grades.

## SOBHA COMMUNITY HOME PROJECT

Owning a home isn't merely an aspiration; it constitutes the cornerstone of familial social security. This issue is particularly acute among the impoverished segments of society. The absence of safe and affordable housing can precipitate an array of social, economic, and health challenges, including homelessness, poverty, and even criminality. Furthermore, it's a dilemma unlikely to be fully eradicated. Due to assorted social and economic factors, the realisation of homeownership remains elusive for many underprivileged families in India.

In response to this pressing need, SOBHA, leveraging its Corporate Social Responsibility (CSR) arm, has undertaken sincere endeavours to construct and deliver safe and

secure residences to rural communities in need. The principal objective of this initiative is to afford shelter and stability to those dwelling in substandard housing conditions or experiencing homelessness. The overarching vision is the comprehensive advancement of these families and, by extension, the broader societal progress.

**This majestic project is designed to be executed in different phases:**

- As a pilot phase, 10 families were identified and provided with houses on their own land in 2022.
- After the pilot phase, we started the first phase of this majestic project and identified 100 families to avail this benefit.
- All the 100 completed homes have been handed over to the beneficiaries on March 9<sup>th</sup>, 2024 and the foundation stone laying ceremony of another 120 homes as part of Phase II was also conducted on the same date.
- These 120 families include 13 families having no land of their own and were handed over 5 cents of land and a home. The homes were handed over to the beneficiaries ceremoniously on February 9, 2025.
- Foundation stones were laid for another 120 homes on March 31, 2025 as part of Phase III of this project.

The key handover of the 120 ready-to-occupy homes was ceremoniously conducted by Sri K. Rajan, Hon'ble Minister for Revenue and Housing, Government of Kerala, and the foundation stone laying ceremony of the 120 homes under Phase III of the project was officially inaugurated by Dr. R. Bindu, Hon'ble Minister for Higher Education and Social Justice, Government of Kerala. Both ceremonies were graced by several other distinguished guests, including MLAs, government officials, and leaders from across the political line.

So far 230 homes have been handed over in Kizhakkencherry Panchayat.

**SOBHA YOUNG MOTHER REHABILITATION PROGRAM**

A comprehensive rehabilitation package for the young mothers (widows) living in the Hermitage is in operation. Special free of cost arrangements are in place for their living, safety, security and welfare. The widowed mothers and their children live together. All mothers have been encouraged to continue their education and many have completed their graduation. All are employed at The SOBHA Academy and received a good remuneration which they can save. One of the young mothers obtained post-graduation and is employed at The SOBHA Academy as a qualified teacher. Their children are admitted to The

SOBHA Academy, where they obtain quality education. For those young mothers whose children have grown up, individual self-contained flats have been constructed and allotted for each family. Also provides required vegetables, provisions, fruits, milk and dresses to these families free of cost. There are 14 young mothers and their 21 children living at the young mother's quarters currently. Support is also provided if they want to get remarried. It is remarkable that out of 23, 7 young widows have been remarried with the support of the Trust.

**SOBHA RURAL WOMEN EMPOWERMENT PROGRAM**

Financial support of ₹ 5,000 is extended to several widowed mothers and their children through the Rural Women's Empowerment initiative. It has taken 50 widowed mothers and their children belonging from the project area under its wing. They are provided with a basic monthly living allowance, clothing, medical and other personal accessories. The Trust meets the educational expenses of their children, giving them adequate opportunity to come up in life.

**SOBHA NO-DOWRY SOCIAL WEDDING PROGRAM**

One of the greatest problems faced by our society is the inability of parents to get their daughters married due to lack of resources and poverty. It was common for marriages to get cancelled after engagement, and for brides to be abandoned after marriage. Many parents even fall into a debt trap by taking loans against their property or selling their property to see their daughters being wed. Mass weddings aided by the Trust provide a practical remedy to this problem.

The Trust conducts social weddings that are free from the fangs of dowry and till date, 697 weddings have been conducted. Approximately forty women get married each year and provides basic resources to the couples to help them begin their wedded life. The couple and their parents are also given pre-marriage counselling.

**SOBHA COMMUNITY CENTRE**

The SOBHA Community Centre is a beautiful and spacious structure for the less-privileged. It plays host to various community mobilisation programs, including medical camps, orientation and training classes and social weddings.

**SOBHA FEED A STOMACH TODAY (FAST) PROGRAM**

**Part A – Feeding to elderly people at Sri Kurumba Auditorium, Moolamcode**

The Trust provides nutritious meals to elderly and vulnerable individuals from Kizhakkencherry Panchayat at Sri Kurumba Auditorium. Currently, 64 people are served

twice a day, with a capacity to serve up to 100 individuals. The meals are delivered ensuring that the elderly and vulnerable have access to consistent, nourishing food.

### **Part B – Delivery of Food to 1000 People (350 in Palakkad and 650 in Schools)**

Focuses on providing food to 350 people in Palakkad and plans to provide meals to 650 students in nearby government schools. So far 77,339 meals have been served.

Meals for school children will be prepared at Sri Kurumba Auditorium and served in large containers. The menu includes nutritious options such as Lemon Rice, Tomato Rice, Coconut Rice, Idli, and two side dishes, with plans to add boiled eggs weekly for the children. Employees are encouraged to volunteer, dedicating a few hours each quarter to tasks such as food delivery, packing, and other responsibilities, with the most impactful role being participation in the food delivery team.

### **SOBHA GREEN INITIATIVES**

SOBHA's green philosophy of development is widely accepted across the spectrum. Furthermore, several green initiatives are underway in the CSR project areas. The entire campus was constructed with minimum carbon footprint and without making much change to the natural surroundings. Large-scale rain harvesting methods and processes are in place, and planting of more than 3000 trees and herbs and preserving the existing flora and fauna to the largest extent possible has been undertaken. The Trust cultivates vegetables, fruits and paddy at Moolamcode, Anakkappara and Mangalam for in-house use. The Trust also has large waste management plants to process the waste generated here. All the CSR project campuses are plastic-free, smoking-free and alcohol-free, thus striving to achieve a sustainable lifestyle. The power laundry at SOBHA Hermitage runs on a steam generator by a boiler to conserve electrical energy. Solar panels are also installed at SOBHA Hermitage, which amounts to around 30% of total energy consumption.

### **FURTHER INITIATIVES**

- Modelled on The SOBHA Academy, one school is proposed to be constructed in Bengaluru catering to 1200 girl children.
- Modelled on SOBHA Icon, many scaled models are planned across the state.
- A replicable model village incorporated with Sustainable Development Goals (SDGs) is planned which will have the potential to make a significant impact across the globe. The model village aims to provide a blueprint for replicable, scalable, and sustainable development in India that can be adapted to different regions and cultures, nationally and internationally. This is an effort to consolidate and strengthen the social, economic, educational, and health interventions since 1994 and putting them in a new format to make it more impactful and measurable, and showcasing the holistic interventions to national and global policy and decision makers. This will also motivate capable people to follow similar paths. The new format will be called SOBHAGraam.
- Additional classrooms and a 750-seater auditorium for The SOBHA Academy.
- A 900-capacity girls' dormitory.
- Administrative building-cum-guest accommodation .
- Devi Home at Moolamcode for 72 elderly women and 72 young orphan girls.
- A fully residential university in Uttar Pradesh that will provide free world-class education to young women from the most economically disadvantaged families across India.

# Research and Development

Research and Development (R&D) is about seeking technological advances, which involve overcoming obstacles and resolving uncertainty. R&D in the construction industry could relate to the innovative use of materials or overcoming problems on site. During this year the focus of the Research & Development Department was on process and product improvement. This is a much-needed focus as it contributes to SOBHA's strength and helps it retain its self-reliant nature while providing best in class products to its consumers.

- The use of bus bar raising main system in multi-storied buildings ensures efficient power distribution, minimizing power losses and voltage drops, leading to enhanced reliability and stability of the electrical supply.
- Installation of HT meters allows for accurate monitoring and measurement of electricity consumption in projects with higher power requirements, facilitating precise billing and management of energy usage for optimized efficiency and cost savings.
- Introducing prepaid smart energy meters offers several benefits, including real-time monitoring of energy consumption, remote payment options, and better control over electricity usage.
- Ceiling-mounted exhaust fans in toilets improve ventilation, helping to remove stale air, odors, and moisture efficiently.
- Installation of LED lights in common areas for reducing power consumption.
- Optimizing the Power consumptions by using of light sensors in staircases, lobbies, and all toilets in apartments.
- Grid connected roof top solar power generation for partial common area load by utilizing maximum terrace space.
- Mechanization and optimization of manpower by using advanced machineries for example: - GI STRIP straightening machine.
- For Water Treatment Plants, Dual Media Filter (combining sand and carbon media) is being used instead of a conventional sand filter, significantly improving water filtration quality.
- A new technology called Power Drain has been adopted in one of our projects to effectively manage and mitigate basement seepage.
- Use of FRP (Fibre Reinforced Plastic) manhole covers on Overhead Tanks enhances maintenance convenience and offers greater durability.
- Readymade polymer concrete drains are now being used at ramp entrances to improve aesthetics and ensure smoother user experience.
- Customized Ductile Iron (DI) gratings have been developed specifically for use in landscaped areas, ensuring both strength and design compatibility.
  - o Study of alternate tile grout material for setting time and its colour.
  - o Study of different types of tile beads to increase the productivity of the mason and also aesthetics.
  - o The features in lift are checked across different vendors, and the requirements are standardised.

# Risk Management Report

The company's financial position and the results of its operations are subject to certain risks and liabilities that may affect its performance and ability to achieve its objectives. These are factors that the Company believes could lead to its actual results differing materially from expected and previous results. However, there are other risks and uncertainties that may also affect the Company's performance and ability to achieve its objectives not currently known to the Company or deemed immaterial. The company has a robust risk management and internal control system in place. Real estate and allied risks can be caused by several factors, which could be within and outside of a company's control. It is, therefore, important that a company have a solid risk mitigation and management policy in place.

## RISK ASSESSMENT AND RESPONSE

**SOBHA has a six-step approach to risk assessments:**

1. Risk assessment planning
2. Risk identification
3. Risk rating
4. Evaluation and risk response
5. Reporting
6. Periodic monitoring and review

Our risk assessment focuses on short-term risks and emerging risks in the risk areas such as strategic,

operational, financial, legal and compliance. SOBHA has implemented an Enterprise Risk Management (ERM) program through which it reviews and assesses significant risks regularly to ensure it has internal controls.

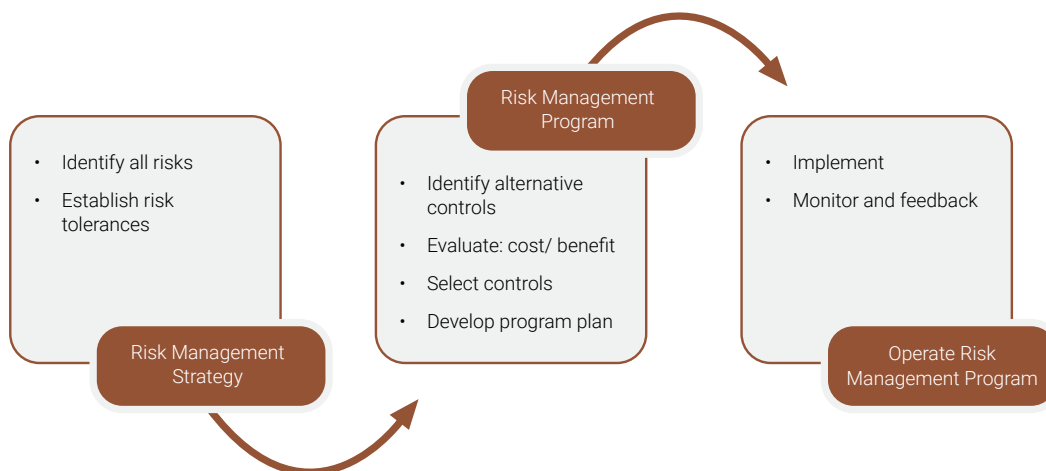
## RISK GOVERNANCE

Risk governance architecture consists of the Board, Audit Committee and Risk Management Committee at the top of the pyramid enabling oversight functions of the risk management system. Operational and functional heads, along with a strong and independent internal audit function, facilitate the oversight functions by providing valuable inputs in the form of information, data and reports on various external and internal risks—both existing and emerging – thereby enabling the Committees and Board to take timely action and aiding decision-making. At the bottom of the pyramid lies the risks affecting the operations and impeding the growth of the organisation.

## RISK MANAGEMENT PROCESS

The company recognises that risk is inherent to any business activity and that managing risk effectively is critical to the immediate and future success of the Company. The Company's risk management process enables it to identify, assess and prioritize, manage and respond, and ultimately monitor and report the risks in its operations, supply chain, sales, and marketing support functions. In order to achieve the key objective, the risk management process establishes a structured and disciplined approach to risk management, in order to guide decisions on key risks.

SOBHA recognises risk assessment, monitoring and mitigation as a continuous process closely embedded in the business processes and aiding management's decision-making. This may be understood through the risk management chart provided below:



This system helps the company respond appropriately to risks and achieve its objectives, ensuring compliance with the applicable RERA law and its statutory obligations.

The listing agreement with the stock exchanges mandates the identification, minimization and periodic review of these risks and uncertainties. However, it is not possible for the Company to implement controls to adequately respond to all the risks that it may face and there can be no complete assurance provided that the steps that it undertakes to address certain risks will manage these risks effectively, or at all.

The Company's Risk Management Committee evaluates risks for each category. It assists in identifying and assessing risks to that appropriate mitigation mechanisms may be devised. The Audit Committee reviews and advises the management on all categories of risks that the Company faces, the exposure in each category and on the acceptable and appropriate levels of these exposures. It also monitors the steps taken by the management to control such exposures and ensures that the overall risk exposure is within the Company's risk capacity and risk appetite. The Board of Directors of the Company are also apprised of the risks faced by the Company and timely risk management measures taken for mitigating them.

The Company has strong systems in place for each kind of risk that it may face in the course of conducting its business.

## **I. Universal risks**

### **(i) Natural and manmade disasters**

Natural disasters include earthquakes, fires, droughts, floods, or global pandemics (such as COVID), and manmade disasters include acts of terrorism and war.

Insurance coverage is an appropriate way of managing disaster-related risks. Apart from a sufficient insurance coverage, the company also takes appropriate measures to ensure that the structural design of its buildings conforms to the applicable construction standards in the various regions it operates in. The properties of the Company are insured against natural risks, like fire, flood, earthquakes, etc., with periodical review of adequacy, rates and risks covered under professional advice.

### **(ii) Economy-related risks**

Interest rates, inflation and exchange rate risks are amongst the important macroeconomic indicators which are subject to several factors which primarily have to do with the government, monetary and tax policies, domestic/international economic and political conditions and other

factors beyond a company's control. Changes in interest rates may increase a company's cost of borrowing and impact its profitability. These risk factors will be a driving factor in the development of the real estate sector.

A sluggish economy or even recession in a specific industry, such as IT/ITES, can lead to a decrease in sales or market rates for residential projects. In extreme cases of an economic downturn, a company may also run the risk of customer insolvency though the registration of property happens only on the receipt of all the dues from a customer. These factors could decrease the revenue generation from some or all the company's businesses, adversely impacting its business and future growth. Further, uncertainties in the national or global economic scenario, a changing demographic profile of the country and inflation also have a bearing on the functioning of a company operating in real estate and allied sectors.

The company is confident that with the economic and sector specific reforms introduced by the government in the recent past, the outlook for long-term demand for the real estate sector in India is stable and positive. The emergence of Tier-II and Tier-III cities, urbanization, large-scale employment opportunities in Tier-II cities and larger numbers of nuclear families will contribute to a substantial increase in demand for real estate and corporate space in the future.

### **(iii) Political risks**

Changes in government policy, social and civil unrest, and political developments in or affecting India could impact the Company's business interests. Specific laws and policies affecting real estate, foreign investments and other matters affecting investments in the company's securities could also change.

### **(iv) Liquidity risks**

In this industry, the time required to liquidate a real estate property can vary depending on the quality and location of the property. As a result, the Company may not be able to liquidate its assets promptly in response to economic, real estate market or other conditions.

## **II. Sectoral risks**

### **(i) Sales market risks**

Modern day businesses, including those in the real estate sector, are customer-centric and driven by market sentiment and competition. Though everyone aspires to own a home, there is a chance that the decision to purchase the same be deferred due to certain changes in existing economic or market conditions.

The company has devised a detailed compliance checklist system to monitor and obtain the approvals from different authorities as per applicable laws and regulations at various stages of project construction to ensure smooth completion of projects.

#### **(ii) Land-related risks**

For any construction company, land is a primary input. Non-availability of an appropriate parcel of land at a strategic place and at a reasonable price can lead to an increase in its prices, thereby having an adverse impact on the company's performance. Further, availability of land, its use and development are subject to approvals by various local authorities under applicable local laws and regulations. This makes the price of land volatile. A drop in land prices may erode the book value carrying the cost of land, which in turn could affect a company's profitability.

The Company takes strategic decisions with respect to land acquisition. Effective methodologies are in place for managing the land portfolio. Requisite due diligence is conducted before acquiring land or entering partnerships for joint ventures or joint development.

#### **(iii) Regulatory risks**

Local, state and central regulatory bodies control the real estate sector through laws and regulations governing the acquisition, construction and development of land including zoning, permitted land use, fire safety standards, height of buildings and access to water and other utilities. SOBHA's business is subject to all these laws and regulations. Any delay in obtaining an approval under these laws and regulations will expose the business to higher risks.

We are actively working with industry bodies, regulators, and the government to understand the issues impacting the industry and developing legal frameworks to address these issues in time to minimise any impact.

#### **(iv) Legal risks**

The company is involved in some legal proceedings relating to the lands it owns and claims in relation to taxation matters. Any adverse decision here may have a significant impact on the company's business, prospects, and financials.

#### **(v) Competition risks**

The residential real estate sector is highly competitive. Other developers undertaking similar projects within the same regional markets are in direct competition with the company. Due to the fragmented nature of the real

estate development business, adequate information about small and medium level competitors' projects may not be available and the company could run the risk of underestimating the supply in the market.

### **III. Company-specific risks**

#### **(i) Customer risks**

The company operates in twelve cities in real estate that contribute to the Company's revenue. A sizeable portion of sales from real estate operations is generated in Bengaluru. A decline in the revenue in this real estate market or a shift in customer loyalty may have an adverse effect on its business and operating results. Contractual businesses depend solely on orders received from corporate entities for their construction requirements. A substantial portion of the revenue from contractual projects is generated from major clients operating in the information technology sector.

The Company has a dedicated and robust in-house sales and marketing team, which is entrusted with the task of generating enquiries for its products and transforming them into sales. This reduces dependency on external agents and brokers.

The company also has a dedicated Customer Relationship Management (CRM) Department to cater to customer feedback, resolving their queries and grievances, addressing their issues, streamlining the purchase process and receiving feedback. An online portal has been designed for customers where they can share their views and check the status of the projects. The CRM Department's core responsibility is ensuring smooth and hassle-free transfers of products to the satisfaction of the customers.

#### **(ii) Borrowing and credit risks**

Construction activities, which are a major contributor to company's revenue, are capital-intensive and require a significant expenditure on land acquisition and development. An efficient borrowing strategy has placed the company ahead of its competition with respect to borrowing costs. However, the company is subject to risks normally associated with debt financing and may be required to dedicate a portion of its cash flows towards the repayment of its debt commitments. It may not be possible to generate adequate cash flows in certain extreme scenarios to service principal and interest payments. In certain cases, lenders also have the right to recall a loan. Such an event could impact company's liquidity and credit rating.

In most cases, the company develops properties on a joint venture basis. Credit risks arise when its JV partners do not discharge their obligations and, in such circumstances, the company may be required to make additional investments in a joint venture or become liable for the other party's obligations.

The company has a proven record in servicing its debt obligations. The gearing levels of the Company have been efficiently managed in previous fiscal years, bringing down the gearing ratio. Every investment avenue is evaluated based on the risks and rewards attached to it.

### **(iii) Project implementation risks**

Real estate projects are vulnerable to several implementation problems, such as regulatory compliances. These may cause project start up delays, construction delays, cost overruns and unavailability of skilled labour, accidents, and quality gaps. The company's operations may be unfavourably impacted if these risks are not mitigated on a real-time basis.

The company has adopted a standard process for ensuring product quality. Technology related to the industry is upgraded periodically by comparing it to global standards, which helps minimize implementation risks. The in-house Quality, Safety and Technology Department is in-charge of addressing quality issues of the products.

### **(iv) Input cost risks**

Many times, operations of a real estate project are subject to budget overruns due to several factors like increase in construction costs, growing subcontracted service costs and increase in labour costs. Increased operating expenses may affect company's profit margins if it is not able to sell the properties with desired margins. There is a chance of reduction in demand if the selling price of unsold properties is increased.

### **(v) Supply chain risks**

If suppliers of raw materials curtail, discontinue, or disrupt the supply of materials, company's ability to meet its material requirements for projects could be impaired, which could lead to a disruption in construction schedules and projects may not be completed on time.

Vendors supplying key materials have longstanding relationships with the company. Since the Company is a backward integrated organization, key inputs are sourced in-house, reducing dependency on external suppliers.

### **(vi) Workforce risks**

The construction industry is highly dependent on workforce and its ability to retain that workforce. Employee attrition could have an adverse impact on company's businesses. company's performance could also be affected if it is unable to identify, attract and retain key employees like engineers and architects.

Employee attrition rate in the Company is below the industry/sector average. To minimize attrition and retain talent, company has adopted effective and employee friendly policies.

### **(vii) Diversification and investment risks**

Although the company is a backward integrated company, expanding into new businesses or new geographies exposes it to new risks, such as low levels of familiarity with the development of properties in the specific area or market for new project development. Competitors may not only be better known in these markets but may also enjoy better relationships with vendors/ suppliers/ landowners/ joint-venture partners and customers.

Taking calculated risks is a part of all businesses. A business' growth depends on the Company's ability to absorb the risks related to the sector. After a careful evaluation of the risks, SOBHA has been steadily expanding its geographic presence in the real estate domain. This diversification has reduced its dependency on a single market, Bengaluru, which at one point accounted for all its sales. Bengaluru now contributes about 65 per cent of its sales.

Company's foray into new geographies is based on a thorough analysis of prevailing market conditions and the regulatory environment. Several contractual projects have been successfully executed in different cities across India and hence, there is a good understanding of the local factors at play. The Company also engages locally available workforce resources.

### **(viii) IT and system risk**

The company uses an Enterprise Resource Planning system for integrating its core and backend activities like architecture, engineering, projects, and costing. A breakdown of existing IT systems or a delay in implementation could disrupt the Company's ability to track, record and analyse the work in progress, or result in the loss of valuable data. These risks relate to the following:

- System capability
- System reliability

- Data integrity risks
- Coordinating and interfacing risks
- Information Security

The company has a strong IT team to support all IT-related matters. The Company has also begun implementing the new ERP system, wherein we have done away with redundant and non-value add processes to make us more agile; optimized processes that help reduce time in decision making; identified roadblocks that came in the way of taking quicker and relevant actions; cleaned up thousands of data fields and data sets that affected data integrity; and introduced new and robust processes that make us more efficient as a team and work with greater speed.

#### **(ix) Cyber security risk**

As a customer-centric organization, we need to regularly give updates to customers, interact with third parties, and service providers. Today, a lot of emphasis is given to real-time information, which inadvertently means exposing our system and data to the outside world. Although a lot of care is taken through digital certification and methodologies, there continue to remain concerns over different security risks associated with it.

The company has strong IT infrastructure to support the increased usage of digital platforms and combat cybersecurity threats. The Company provides continuous training and education to employees on cybersecurity to minimise the occurrence of any threat.

# Business Responsibility & Sustainability Report

## SECTION A: GENERAL DISCLOSURE

### I. Details of the Listed Entity

1	Corporate Identity Number (CIN) of the Listed Entity	L45201KA1995PLC018475
2	Name of the Listed Entity	Sobha Limited
3	Date of incorporation	August 07, 1995
4	Registered office address	Sobha, Sarjapur – Marathahalli Outer Ring Road (ORR), Devarabisanahalli, Bellandur Post, Bengaluru – 560 103
5	Corporate address	Sobha, Sarjapur – Marathahalli Outer Ring Road (ORR), Devarabisanahalli, Bellandur Post, Bengaluru – 560 103
6	E-mail	<a href="mailto:investors@sobha.com">investors@sobha.com</a>
7	Telephone	+91 8049320000
8	Website	<a href="http://www.sobha.com">www.sobha.com</a>
9	Financial year for which reporting is being done	2024-25
10	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited, BSE Limited
11	Paid-up Capital	1,069,397,330/- divided into 10,69,25,632 fully paid up equity shares of ₹ 10/- each and 28,202 partly paid up shares of ₹ 5/- each
12	Contact Person	
	Name of the Person	Mr. Bijan Kumar Dash
	Telephone	080 – 49320000
	Email address	<a href="mailto:investors@sobha.com">investors@sobha.com</a>
13	Reporting Boundary	Standalone Basis
14	Name of Assurance Provider	NA
15	Type of Assurance Provider	NA

### II. Products/Services

#### 16. Details of the business activities (accounting for 90% of the turnover):

Sr. No.	Description of Main Activity	Description of Business Activity	% Turnover of the Entity
1	Construction	Construction of Residential and Commercial projects	77.08
2	Contractual and Manufacturing	Building completion and finishing services - Manufacturing activities related to: (i) Interiors; (ii) Glazing and Metal works; (iii) Concrete products and Mattress division.	22.92

### 17. Product/Services sold by the entity (accounting for 90% of the turnover):

Sr. No.	Product/Service	NIC Code	% of Total Turnover contributed
1	Construction of Residential and Commercial projects	41001	77.08
2	Building completion and finishing services - Manufacturing activities related to:		
	(i) Interiors	31001	22.92
	(ii) Glazing and Metal works	25111	
	(iii) Concrete products and Mattress division	43110	

### III. Operations

#### 18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants/ operations	No. of Offices	Total
National	67	14	81
International	0	2	2

#### 19. Market served by the entity:

##### a. Number of locations

Locations	Numbers
National (No. of States)	14
International (No. of Countries)	0

##### b. What is the contribution of exports as a percentage of the total turnover of the entity?

Sobha's currently operates only in the domestic market, resulting in a zero percent contribution to exports in relation to the total turnover.

##### c. A brief on types of customers

Sobha Limited serves three main categories of customers:

- **Residential Customers:** Individuals or families purchasing apartments, villas, or plotted developments for personal use or investment.
- **Retail and Commercial Customers:** Buyers or lessees of office spaces, retail outlets, or mixed-use properties for business operations or leasing.
- **Institutional Clients:** Organizations such as corporate entities, government departments, and real estate investors engaging Sobha for development of infrastructure projects, IT parks, or custom-built commercial facilities.

### IV. Employees

#### 20. Details as at the end of Financial Year:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>a. Employees and workers (including differently-abled)</b>						
<b>Employees</b>						
1	Permanent Employees (A)	4,483	3,856	86	627	14
2	Other than Permanent Employees (B)	22	22	100	0	0
3	Total Employees (A+B)	4,505	3,878	86	627	14

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>Workers</b>						
1	Permanent (C)	0	0	0	0	0
2	Other than Permanent (D)	23,926	23,342	98	584	2
3	Total Workers (C+D)	23,926	23,342	98	584	2
<b>b. Differently abled employees and workers</b>						
<b>Employees</b>						
1	Permanent Employees (E)	4	2	50	2	50
2	Other than Permanent Employees (F)	0	0	0	0	0
3	Total Employees (E+F)	4	2	50	2	50
<b>Workers</b>						
1	Permanent (G)	0	0	0	0	0
2	Other than Permanent (H)	0	0	0	0	0
3	Total Workers (G+H)	0	0	0	0	0

#### 21. Participation/Inclusion/Representation of women:

S. No.	Category	Total (A)	No. and % of females	
			No. (B)	% (B/A)
1	Board of Directors	7	1	14.28
2	Key Management Personnel	3	0	0

#### 22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years):

Category	FY 2024-25 (Turnover rate in current FY)			FY 2023-24 (Turnover rate in previous FY)			FY 2022-23 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
	Permanent Employees	45%	57%	47%	39%	41%	40%	36%	42%
Permanent Workers	0	0	0	0	0	0	0	0	0

#### V. Holding, Subsidiary and Associate Companies (including joint ventures)

##### 23. (a) Names of holding/subsidiary/associate companies/joint ventures:

S. No.	Name of the holding/subsidiary/associate companies/joint ventures (A)	Indicate whether it is a holding/ Subsidiary/ Associate/or Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Sobha Highrise Ventures Private Limited	Subsidiary	100	Yes
2.	Sobha Developers (Pune) Limited	Subsidiary	100	No
3.	Sobha Assets Private Limited	Subsidiary	100	No
4.	Sobha Tambaram Developers Limited	Subsidiary	100	Yes
5.	Sobha Nandambakkam Developers Limited	Subsidiary	100	No
6.	Sobha Construction Products Private Limited	Subsidiary	100	No
7.	C.V.S. Tech Park Private Limited	Subsidiary	100	No

S. No.	Name of the holding/subsidiary/associate companies/joint ventures (A)	Indicate whether it is a holding/ Subsidiary/ Associate/or Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
8.	Sobha City	Subsidiary	100	Yes
9.	Sobha Contracting private Limited	Subsidiary	100	No
10.	Kilai Builders Private Limited	Subsidiary	100	No
11.	Sobha Interiors Private Limited	Subsidiary	100	No
12.	Kuthavakkam Builders Private Limited	Subsidiary	100	No
13.	Kuthavakkam Realtors Private Limited	Subsidiary	100	No
14.	Sobha Commercial Private Limited (earlier know as BNB Builders Private Limited)	Subsidiary	100	No
15.	Valasai Vettikadu Realtors Private Limited	Subsidiary	100	No
16.	Vayaloor Properties Private Limited	Subsidiary	100	No
17.	Vayaloor Realtors Private Limited	Subsidiary	100	No
18.	Vayaloor Real Estate Private Limited	Subsidiary	100	No
19.	Vayaloor Developers Private Limited	Subsidiary	100	No
20.	Vayaloor Builders Private Limited	Subsidiary	100	No

**Note:**

- Sobha Contracting Private Limited is a wholly owned subsidiary of Sobha Highrise Ventures Private Limited. Hence a stepdown subsidiary of Sobha Limited.
- Kilai Builders Private Limited, Sobha Interiors Private Limited, Kuthavakkam Builders Private Limited, Kuthavakkam Realtors Private Limited and Sobha Commercial Private Limited are wholly owned subsidiary of Sobha Developers (Pune) Limited. Hence, a stepdown subsidiary of Sobha Limited.
- Sobha City Firm Holding 100% equity shares of the Valasai Vettikadu Realtors Private Limited, Vayaloor Properties Private Limited, Vayaloor Realtors Private Limited, Vayaloor Real Estate Private Limited, Vayaloor Developers Private Limited, and Vayaloor Builders Private Limited.

## VI. CSR Details

**24. a. Whether CSR is applicable as per Section 135 of Companies Act, 2013:** Yes

**b. Turnover (in ₹):** 42,024.79 million

**c. Net worth (in ₹):** 44,219.04 million

## VII. Transparency and Disclosures Compliances

**25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2024-25 (Current FY)			FY 2023-24 (Previous FY)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	-	-	-	-	-	-	-

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2024-25 (Current FY)			FY 2023-24 (Previous FY)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Investors (other than shareholders)	Yes <a href="https://www.sobha.com/investor-relations/#survey">https://www.sobha.com/investor-relations/#survey</a>	-	-	-	-	-	-
Shareholders	Yes <a href="https://www.sobha.com/investor-relations/#survey">https://www.sobha.com/investor-relations/#survey</a>	6	-	-	-	-	-
Employees and workers	Yes <a href="https://www.sobha.com/investor-relations/#survey">https://www.sobha.com/investor-relations/#survey</a>	-	-	-	-	-	-
Customers	Yes <a href="https://www.sobha.com/investor-relations/#survey">https://www.sobha.com/investor-relations/#survey</a>	4,769	298	NIL	6,410	104	-
Value Chain Partners	-	-	-	-	-	-	-
Others (Please specify)	-	-	-	-	-	-	-

## 26. Overview of the entity's material responsible business conduct issues:

Material Identified	Issue	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
GHG Management		Opportunity	Compliance with climate regulations and investor pressure; transition risks, potential for brand and cost benefits.	The company source 80% of its electricity for corporate offices and facilities from solar energy and has commissioned rooftop solar installations of 225 kW and 750 kW at its Glazing and Interiors divisions. The company also deployed rooftop solar panels for common area lighting and replaced electric geysers with solar heaters. It continues to monitor and manage emissions through Scope 1 and 2 GHG inventorying and has initiated efforts to assess Scope 3 emissions.	Positive

<b>Material Identified</b>	<b>Issue</b>	<b>Indicate whether risk or opportunity (R/O)</b>	<b>Rationale for identifying the risk/opportunity</b>	<b>In case of risk, approach to adapt or mitigate</b>	<b>Financial implications of the risk or opportunity (Indicate positive or negative implications)</b>
Energy Management		Opportunity	Energy cost savings and operational efficiency through renewable sources and efficient equipment.	The company advanced its energy efficiency agenda by implementing LED lighting across sites, integrating passive design features such as daylight-optimized windows and roof insulation, and adopting smart energy metering systems.	Positive
Water Management		Risk	Exposure to water scarcity and regulatory constraints in construction-heavy locations.	The company deployed smart water meters across all projects and implemented integrated rainwater harvesting systems through rooftop and recharge pits. The company ensured 100% on-site wastewater reuse through sewage treatment plants at all projects and worker camps.	Negative
Waste Management		Opportunity	High waste generation from construction; reputational and compliance risks, also resource efficiency benefits.	The company implemented a comprehensive 4R (Reduce, Reuse, Recycle, Recover) waste management strategy across sites, including deployment of organic waste converters and composting systems. Inorganic and hazardous waste were disposed of through authorized vendors. At its Concrete Products Division, the facility adopted a near-zero-waste approach by recycling paper slurry, reusing hardened concrete, and recovering process water—saving approximately 3,120 KL of freshwater annually	Positive
Sustainable Design and Lifecycle Impact Reduction		Opportunity	Reduced lifecycle environmental impact, compliance with green building norms, and buyer expectations.	The company prioritized sustainable construction by landscaping at least 33% of site areas with native vegetation and preserving existing trees through retention and transplantation. The company adopted low-carbon blended cement (GGBS), used 60% PEFC-certified wood in interiors, and implemented double-glazed windows and low-VOC materials. Modular construction and precast elements were integrated to reduce on-site waste, while lifecycle assessments (LCAs) were introduced to evaluate and reduce embodied environmental impacts.	Positive

<b>Material Identified</b>	<b>Issue</b>	<b>Indicate whether risk or opportunity (R/O)</b>	<b>Rationale for identifying the risk/opportunity</b>	<b>In case of risk, approach to adapt or mitigate</b>	<b>Financial implications of the risk or opportunity (Indicate positive or negative implications)</b>
Occupational Health and Safety	Risk		High fatality and incident potential in construction; risk to workforce, penalties, and reputation.	Aligned with ISO 45001, the company implemented a centralized EOHS management system with regular audits, bi-weekly site inspections, and anonymous safety reporting mechanisms. In FY2025, the company conducted 24,540 hours safety training sessions, maintained a Total Recordable Injury Rate of 0.051, and reported zero fatalities. Medical screenings and environmental monitoring were conducted routinely to ensure worker health and site safety.	Negative
Business Ethics	Risk		Non-compliance or fraud can harm investor trust, lead to penalties and litigation.	The company has reinforced ethical governance through a formal Code of Conduct for its Board and senior management, and a whistleblower mechanism overseen by the Chief Vigilance Officer. Employees undergo regular anti-corruption and ethics training, aligned with the company's target of 100% annual coverage by 2027. The company upholds a zero-tolerance stance on ethical violations, with all reported concerns resolved.	Negative
Data Privacy & Security	Risk		Cyber threats and personal data leakage risks due to digital operations.	The company strengthened its data governance through secure IT infrastructure, compliance with privacy regulations, and employee training on data security protocols. Cybersecurity risk assessments and third-party audits support its target of zero data breaches and 100% employee training coverage by FY2030.	Negative
Sustainable Supply Chain	Opportunity		Ability to align suppliers with ESG goals, improve resilience and reduce long-term procurement risks.	The company integrated ESG criteria into procurement processes through a Vendor Code of Conduct covering EHS and labor standards. Supplier assessments and periodic ESG audits are underway	Positive

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred to as P1-P9 as given below:

P1	Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive towards all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect and make efforts to restore the environment
P7	Businesses when engaging in influencing public and regulatory policy should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and Management Processes</b>										
1	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	c. Web Link of the Policies, if available	Yes, <a href="https://www.sobha.com/investor-relations-downloads.php">https://www.sobha.com/investor-relations-downloads.php</a> (Certain polices are internal to the Company and not placed in the website)								
2	Whether the entity has translated the policy into procedures. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes								
4	Name of the national and international codes/certifications/ labels/standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The company is certified with P2 - ISO 9001:2015; P3 - ISO 45001:2018, P6 - ISO 14001:2015								
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	<p>As part of our commitment to sustainability and responsible business practices, we have defined the following long-term goals across our key material topics. These targets reflect our aspiration to enhance environmental performance, strengthen governance frameworks, and promote health, safety, and ethical conduct throughout our operations and supply chain.</p> <p>GHG Management</p> <ul style="list-style-type: none"> <li>Reduce Scope 1 &amp; 2 emissions by 10% by FY2030</li> <li>Complete inventory of Scope 3 emissions by FY2030</li> </ul>								



Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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**Governance, Leadership and Oversight**

7 Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements:

At SOBHA, our commitment to sustainability is reflected in our integrated ESG framework anchored on four pillars: Environmental Stewardship, Climate Resilience, Governance & Ethics, and Social Responsibility. Our journey has never been solely about real estate; it has been about building trust, nurturing communities, and ensuring that the impact of our growth extends far beyond our construction footprint.

During FY2024-25, we advanced key sustainability initiatives across our operations. We have embedded ESG across design, construction, procurement, operations, and stakeholder engagement. Specific targets include 100% recycling of construction and demolition waste by FY2030, sourcing 15% of energy from renewables, and enhancing water reuse through rainwater harvesting and greywater recycling.

On digital governance, we are progressing towards zero data breaches through employee training and system audits, with a goal of 100% compliance with data privacy regulations.

Through the Sri Kurumba Educational and Charitable Trust, we continue to implement long-term community programs:

- SOBHA Academy: Free education to 1,200+ children annually
- SOBHA Health Centre: Subsidized primary healthcare to local communities
- Dream Series and Home for the Homeless: 100+ homes delivered in FY25
- Skill training initiatives: Support for youth and women’s employment

We remain focused on strengthening governance, reducing emissions, and supporting inclusive development. These priorities guide our actions as we align with national and global ESG goals.

**Jagadish Nangineni**

Managing Director, SOBHA Limited

8 Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). Board of Directors supported by the Managing Director who briefs the Board on subject matter periodically.

9 Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details. No, However, the respective areas of the ESG matters are monitored by the person identified i.e. Departmental Heads of the respective departments. The relevant critical issues are being discussed at the CSR or Risk management committee at the board level.

10 Details of Review of NGRBCs by the company: **P1 P2 P3 P4 P5 P6 P7 P8 P9**

**Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee**

Performance against above policies and follow up action

Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances Performance of the policies are evaluated by the respective functional/ departmental head and reviewed by the Managing Director periodically.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Frequency (Annually/Half yearly/Quarterly/Any other – please specify)</b>									
Performance against above policies and follow up action	Quarterly								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Quarterly								
11 Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency	<b>P1</b>	<b>P2</b>	<b>P3</b>	<b>P4</b>	<b>P5</b>	<b>P6</b>	<b>P7</b>	<b>P8</b>	<b>P9</b>
	The Company is ISO/IMS certified for quality management (ISO 9001) by NVT Quality Certification International, Environmental management (ISO14001) by Bureau Veritas, Occupational health and safety management (ISO45001) by Bureau Veritas. Additionally, the Kerala Statistical Institute, the Government agency of Kerala had conducted impact assessment of Company's CSR activities.								
12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:									
<b>Questions</b>	<b>P1</b>	<b>P2</b>	<b>P3</b>	<b>P4</b>	<b>P5</b>	<b>P6</b>	<b>P7</b>	<b>P8</b>	<b>P9</b>
The entity does not consider the Principles material to its business (Yes/No)	-	-	-	-	-	-	-	-	-
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	-	-	-	-	-	-	-	-	-
The entity does not have the financial or/ human and technical resources available for the task (Yes/No)	-	-	-	-	-	-	-	-	-
It is planned to be done in the next financial year (Yes/No)	-	-	-	-	-	-	-	-	-
Any other reason (please specify)	-	-	-	-	-	-	-	-	-

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

### PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

#### Essential Indicators

#### 1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	5	Directors of the Company at the time of their appointment are familiarized on the Company's Core Values, Code of Conduct including the purpose and the business it operates and social responsibilities. At each meeting of the Board/Audit Committee, members also deliberate on key regulatory matters that helps to reflect and focus on key strategies. As a part of Board, Audit and CSR agenda, members also discuss various sustainable and Governance initiatives of the Company, including regulatory and economic trends. Key Regulatory changes, amendments etc. are circulated regularly.	100

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
		Business, strategy, risk assessment, Risk mitigation etc., are also covered on periodical basis.	
Key Managerial Personnel	5	Topics pertaining to Key Regulatory issues, recent regulatory updates, amendments etc. are circulated regularly. The Code of Conduct is also familiarized, which helps the KMP's to drive the Company's values and purpose in all key business activities.	100
Employees other than BODs and KMPs	18	IMS Awareness Training, Training on Best Environmental Practices at Site, POSH - Creating impact training and development, Scaffolding Training, Orientation Training Sobha Academy Thrissur, Tower Crane Training P&M, Plant and Machinery, Promoting Safety through leadership, MX Road Course, IPPL Quiz, MEP Training.	100
Workers	100+	Personal Protective Equipment (PPE) Usage, Working at Heights Safety, Hazard Identification and Risk Assessment, Manual Handling and Ergonomics, Fire Safety and Emergency Response, Electrical and Equipment Safety, Health and Hygiene on Site	100

**2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format: NIL**

**a. Monetary**

Type	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (In INR)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	-	-	-	-	-
Settlement	-	-	-	-	-
Compounding fee	-	-	-	-	-

**b. Non-Monetary**

Type	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment	-	-	-	-
Punishment	-	-	-	-

**3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
	NA

**4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes. The Company maintains a strict zero-tolerance approach to corruption and unethical practices. A comprehensive Code of Conduct is in place, providing guidance on ethical behavior, including provisions related to bribery, corruption, and conflict of interest. This Code is applicable to all internal and external stakeholders and is publicly accessible at: <https://www.sobha.com/wp-content/uploads/2025/03/sobha-code-of-conduct-v2.pdf>.

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption: NIL**

Category	FY 2024-25 (Current FY)	FY 2023-24 (Previous FY)
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	-	-

**6. Details of complaints with regard to conflict of interest: NIL**

Topic	FY 2024-25 (Current FY)		FY 2023-24 (Previous FY)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	-	-	-	-
Number of complaints received in relation to issues of Conflict of Interest of KMPs	-	-	-	-

**7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.**

Not applicable, as the company has not reported any instances of corruption or conflicts of interest. Consequently, no corrective actions have been taken or are currently in progress in this regard.

**8. Number of days of accounts payables ((Accounts payable \* 365)/Cost of goods/services procured) in the following format**

Topic	FY 2024-25 (Current FY)	FY 2023-24 (Previous FY)
Number of days of accounts payables	59	81

**9. Open-ness of business**

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2024-25 (Current FY)	FY 2023-24 (Previous FY)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	2.21%	3.01%
	b. Number of trading houses where purchases are made from	45	39
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	77.41%	23.46%

Parameter	Metrics	FY 2024-25 (Current FY)	FY 2023-24 (Previous FY)
Concentration of Sales	a. Sales to dealers/distributors as % of total sales	1.42%	0.37%
	b. Number of dealers/distributors to whom sales are made	9	9
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	100%	100%
Share of RPTs in	a. Purchases (Purchases with related parties/Total Purchases)	2.72%	2.76%
	b. Sales (Sales to related parties/Total Sales)	2.77%	3.03%
	c. Loans and Advances (Loans & advances given to related parties/Total loans & advances)	67%	51%
	d. Investments (Investments in related parties/Total Investments made)	100%	100%

### Leadership Indicators

#### 1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of persons in value chain covered by the awareness programmes
NIL		

#### 2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

The Board of Directors is committed to upholding transparency and ethical conduct. Directors are required to disclose any interests in other companies, including directorships and shareholding changes, at the time of joining and through annual declarations. In the event of a potential conflict of interest, Directors must recuse themselves from related discussions and decision-making processes. Such conflicts are to be reported to the Chairman of the Audit Committee or the Board Chairman. All Directors are guided by the Company's Code of Conduct, which outlines procedures for identifying, disclosing, and managing actual or perceived conflicts of interest. The Code is publicly available at: <https://www.sobha.com/wp-content/uploads/2025/03/sobha-code-of-conduct-v2.pdf>.

**PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe**

**Essential Indicators**

**1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

Type	FY 2024-25 (Current FY)	FY 2023-24 (Previous FY)	Details of improvement in social and environmental aspects
Research & Development (R&D)	0%	0%	<ul style="list-style-type: none"> <li>Development and use of eco-friendly and recyclable packaging materials</li> <li>Replacement of thermocol with corrugated recyclable cardboard</li> <li>Use of low-VOC adhesives and sealants in product development</li> <li>Adoption of precast and modular construction to reduce material wastage on-site</li> <li>Substitution of traditional cement with GGBS (Ground Granulated Blast Furnace Slag) to reduce embodied carbon</li> <li>Increased use of PEFC-certified wood in interior products</li> <li>In-house recycling of hardened concrete and re-use in concrete production (Circular Economy initiative)</li> </ul>
Capital Expenditure (CAPEX)	0.01%	0.03%	Screw Press provided for efficient sludge dewatering mechanism in Sewage Treatment Plant

**Note:** Most of the expenditure incurred in R & D and Capital budget are the project costs and are ongoing. Hence, not separable and not provided separately.

**2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

No

**b. If yes, what percentage of inputs were sourced sustainably?**

Not Applicable

**3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

As a real estate entity, the company does not engage in activities that require specific waste management regulations applicable to other industries. However, we have implemented a comprehensive waste management framework for our business parks that focuses on waste segregation, recycling, and responsible disposal.

**Our approach includes:**

- Hazardous Waste Management:** We handle hazardous waste in strict compliance with government regulations.
- Non-Hazardous Waste Recycling:** We ensure the recycling and reuse of non-hazardous waste materials.
- Organic Waste Conversion:** Organic waste is converted into manure using Organic Waste Converter (OWC) machines.
- Construction and Demolition Waste Management:** We adhere to stringent principles for the reuse and disposal of construction and demolition waste, aiming to minimize landfill use and mitigate environmental impact.

Through these initiatives, Sobha is committed to sustainable waste management practices that contribute to environmental protection.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Not applicable

### Leadership Indicators

1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format.

NIC Code	Name of Product/ Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)
The Company has initiated the integration of Life Cycle Assessments (LCA) into its projects and targets to conduct LCAs for 50% of raw materials used in construction by FY2030, in line with its commitment to sustainable design and lifecycle impact reduction.					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

S. No.	Name of the product	Description of the risk	Action Taken
Not applicable			

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total materia	
	FY 2024-25 (Current FY)	FY 2023-24 (Previous FY)
Not applicable		

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format.

	FY 2024-25 (Current FY)			FY 2023-24 (Previous FY)		
	Reused	Recycled	Safely Disposed	Reused	Recycled	Safely Disposed
Plastics (including packaging)						
E-waste						
Hazardous waste						
Other waste						

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not applicable	

**PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains**

**Essential Indicators**

**1. a. Details of measures for the well-being of employees:**

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
<b>Permanent Employees</b>											
Male	3,856	3,856	100	3,856	100	-	-	3,856	100	2	0.05
Female	627	627	100	627	100	627	100	-	-	8	1.28
<b>Total</b>	<b>4,483</b>	<b>4,483</b>	<b>100</b>	<b>4,483</b>	<b>100</b>	<b>627</b>	<b>13.99</b>	<b>3,856</b>	<b>86.02</b>	<b>10</b>	<b>0.22</b>
<b>Other than Permanent Employees</b>											
Male	22	22	100	22	100	-	-	0	0	0	0
Female	0	0	0	0	0	0	0	-	-	0	0
<b>Total</b>	<b>22</b>	<b>22</b>	<b>100</b>	<b>22</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**b. Details of measures for the well-being of workers:**

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
<b>Permanent Workers</b>											
Male											
Female											Not Applicable
<b>Total</b>											
<b>Other than Permanent Workers</b>											
Male	23,342	1297	5.56	23,342	100	0	0	0	0	0	0
Female	584	192	32.88	584	100	0	0	0	0	0	0
<b>Total</b>	<b>23,926</b>	<b>1489</b>	<b>6.22</b>	<b>23,926</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:**

	FY 2024-25 (Current FY)	FY 2023-24 (Previous FY)
Cost incurred on wellbeing measures as a % of total revenue of the company	0.28%	0.31%

**2. Details of retirement benefits, for Current FY and Previous Financial Year:**

Sr. No.	Benefits	FY 2024-25 (Current FY)			FY 2023-24 (Previous FY)		
		No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)
1	PF	99.51	77.44	Yes	99.42	97.80	Yes
2	Gratuity	99.51	-	No	99.42	-	No
3	ESI	4.93	6.22	Yes	4.48	2.09	Yes

**3. Accessibility of workplaces: Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

Yes, the premises and offices of the company are accessible to differently abled employees and workers, in compliance with the requirements set forth by the Rights of Persons with Disabilities Act, 2016. We are committed to ensure an inclusive and supportive work environment for all individuals.

**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes, the Company's HR manual includes a defined Equal Opportunity Policy. Sobha Limited is committed to fair and unbiased employment practices, ensuring recruitment, retention, and development without discrimination based on gender, race, religion, marital status, or national origin. The Company promotes a safe, inclusive, and participative work environment that supports employee well-being, growth, and equal access to opportunities.

**5. Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	-	-
Female	100%	100%	Not Availed	
<b>Total</b>	<b>100%</b>	<b>100%</b>		

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

Category	Yes/No	Details of the mechanism in brief
Permanent Workers	No	Not Applicable
Other than Permanent Workers	Yes	The grievance can be raised with their respective Supervisors, Managers, Project Heads/Business Heads/Plant Heads and will be resolved with the necessary action based on the circumstances.
Permanent Employees	Yes	Employees can raise their grievances with their supervisors or HR Managers. They can raise their feedback or complaints on the HR helpline facility available on the company's intranet. Our whistle blower policy enables employees to communicate their concerns about unethical practices by writing an e-mail available on our intranet.
Other than Permanent Employees	Yes	The mentioned policy is applicable for this category also.

**7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:**

Category	FY 2024-25 (Current FY)			FY 2023-24 (Previous FY)		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category, who are part of association(s) or Union (D)	% (D/C)
<b>Permanent Employees</b>						
Male	Not Applicable			Not Applicable		
Female						
<b>Total</b>						
<b>Permanent Workers</b>						
Male	Not Applicable			Not Applicable		
Female						
<b>Total</b>						

## 8. Details of training given to employees and workers:

Category	FY 2024-25 (Current FY)					FY 2023-24 (Previous FY)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Male	3,878	1,122	28.93	3,056	78.80	3,271	1,221	37.33	2,900	88.66
Female	627	15	2.39	359	57.26	543	21	3.87	162	29.83
Other	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>4,505</b>	<b>1,137</b>	<b>25.24</b>	<b>3,415</b>	<b>75.80</b>	<b>3814</b>	<b>1242</b>	<b>32.56</b>	<b>3062</b>	<b>80.28</b>
<b>Workers</b>										
Male	23,342	16,433	70.40	3,203	13.72	19,233	18,121	94.22	7,054	36.68
Female	584	0	0	0	0	148	126	85.14	126	85.14
Other	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>23,926</b>	<b>16,433</b>	<b>68.68</b>	<b>3,203</b>	<b>13.39</b>	<b>19,381</b>	<b>18,247</b>	<b>94.15</b>	<b>7,180</b>	<b>37.05</b>

## 9. Details of performance and career development reviews of employees and worker:

Category	FY 2024-25 (Current FY)			FY 2023-24 (Previous FY)		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who had a career review (B)	% (B/A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category, who had a career review (D)	% (D/C)
<b>Permanent Employees</b>						
Male	3,878	2949	76.04	3,271	2,675	81.78
Female	627	502	80.06	543	407	74.95
Others	0	0	0	0	0	0
<b>Total</b>	<b>4505</b>	<b>3451</b>	<b>76.60</b>	<b>3,014</b>	<b>3,082</b>	<b>80.81</b>
<b>Permanent Workers</b>						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Others	NA	NA	NA	NA	NA	NA
<b>Total</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

## 10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No)	Yes, Sobha Limited has implemented a comprehensive Occupational Health and Safety Management System (OHSMS) aligned with ISO 45001 standards. This system is applicable to all employees and workers and is designed to ensure a safe working environment for everyone involved in or affected by the company's operations.
What is the coverage of such system?	The OHSMS covers all employees and workers across project sites and manufacturing units. It includes standardized safety protocols, emergency preparedness measures (e.g., fire exits, alarms, extinguishers, smoke detectors), and assigns clear responsibility to stakeholders to comply with health and safety policies. The company promotes awareness and education to strengthen safety culture throughout the organization.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	The company applies both proactive and reactive mechanisms to identify hazards and assess risks. Proactive measures include bi-weekly audits by safety managers, environmental monitoring (e.g., water, air, noise, and DG emissions), and regular departmental reviews. Reactive monitoring involves investigating injuries, illnesses, near-misses, and incidents to identify areas needing corrective action. Data is collected through interviews, documentation review, and site inspections. Risk assessment follows a hierarchy of controls—prioritizing elimination, engineering and collective controls, and using PPE only as a last resort.
c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)	Yes, The company has established anonymous reporting mechanisms at project sites, such as safety suggestion boxes, where workers can report unsafe conditions or acts. These mechanisms support proactive hazard mitigation and continuous safety improvement.
d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)	Yes, Employees at the company have access to non-occupational medical services, including regular health check-ups, vaccinations, and general healthcare support. The company provides mandatory pre-employment screenings and tri-monthly medical examinations across all workforce segments. Medical Care Centres with qualified MBBS doctors are available to handle both occupational and non-occupational health concerns.

#### 11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2024-25 (Current FY)	FY 2023-24 (Previous FY)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	4
	Workers	0.051	2
Total recordable work-related injuries	Employees	0	4
	Workers	0	2
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

#### 12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Sobha Limited ensures a safe and healthy workplace through a structured Environment and Occupational Health & Safety (EOHS) Management System aligned with ISO 45001 standards. Risk assessments are conducted across all project sites to identify, evaluate, and mitigate workplace hazards. These assessments form the foundation for developing operational control procedures and safe work practices, covering critical areas such as equipment handling, hazardous materials, and emergency preparedness.

In FY2025, the company conducted trainings and covered eight major risk categories, including hazard identification, legal obligations, use of personal protective equipment (PPE), and emergency response protocols. Medical support is provided through regular health check-ups, vaccination drives, and access to on-site medical facilities. Pre-employment medical screening is also mandated for all workers.

Sobha has institutionalized safety governance across all levels of the organization—from senior management to site supervisors—by embedding health and safety responsibilities into individual job roles. Safety suggestion boxes are deployed at sites to encourage anonymous reporting, and bi-weekly audits and inspections are conducted to monitor implementation and compliance.

Performance is tracked against key safety objectives such as Total Recordable Incident Rate (TRIR), which stood at 0.051 in FY25 with zero fatalities. These initiatives reflect Sobha's commitment to maintaining a zero-harm workplace through proactive planning, continuous monitoring, and capacity building of its workforce.

**13. Number of Complaints on the following made by employees and workers:**

Topic	FY 2024-25 (Current FY)			FY 2023-24 (Previous FY)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil		Nil	Nil	
Health & Safety	Nil	Nil		Nil	Nil	

**14. Assessments for the year:**

Topic	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	92%
Working Conditions	92%

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.**

Not Applicable

**Leadership Indicators**

**1. Does the entity extend any life insurance or any compensatory package in the event of death of:**

**a. Employees (Yes/No):**

Yes

**b. Workers (Yes/No):**

Yes

The Company has extended comprehensive coverage to its workforce: all permanent and non-permanent employees are covered under a Group Personal Accident Policy, while workers other than permanent employees are covered under the Employees' Compensation Policy.

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

The Company fully complies with all applicable statutory requirements under various laws and mandates the same compliance from its value chain partners. Compliance is monitored and verified through periodic internal audits conducted by the internal audit team.

**3. Provide the number of employees/workers having suffered high consequence work related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

Category	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2024-25 (Current FY)	FY 2023-24 (Previous FY)	FY 2024-25 (Current FY)	FY 2023-24 (Previous FY)
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	1	Nil

**4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No).**

No, the Company does not have any formal policy on transition assistance.

**5. Details on assessment of value chain partners:**

Topic	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Not Applicable
Working Conditions	

**6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

No corrective action plan has been necessitated on the above-mentioned parameters.

**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders**

**Essential Indicators**

**1. Describe the processes for identifying key stakeholder groups of the entity:**

The Company has mapped its internal and external stakeholders. The key stakeholders of the Company includes its Customers, Regulatory Authorities including Government, Employees, Vendors, Contractors, Bankers, Investors and Shareholders.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:**

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/Half yearly/Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	<ul style="list-style-type: none"> <li>Newsletters</li> <li>Advertisement</li> <li>Website</li> <li>Media</li> <li>Brochures</li> <li>Meetings,</li> <li>Online CRM portal</li> <li>Customer feedback</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>Product quality and safety</li> <li>Adequate information on products</li> <li>Amenities related to ventilation, Natural lighting, space for work from-home, use of IoT and other technologies</li> <li>Timely delivery</li> <li>Maintenance of privacy/confidentiality, Customer satisfaction and feedback</li> <li>Resolving customer queries</li> </ul>

<b>Stakeholder Group</b>	<b>Whether identified as Vulnerable &amp; Marginalized Group (Yes/No)</b>	<b>Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other</b>	<b>Frequency of engagement (Annually/Half yearly/Quarterly/ others – please specify)</b>	<b>Purpose and scope of engagement including key topics and concerns raised during such engagement</b>
Regulatory Authorities including Government	No	<ul style="list-style-type: none"> <li>• Press releases, quarterly results, annual report</li> <li>• Stock exchange filings</li> <li>• Issue specific meetings, representations</li> <li>• Policy advocacy initiatives with CREDAI</li> <li>• Conferences organised by CII, FICCI, and other industry bodies</li> </ul>	Quarterly and as and when required	<ul style="list-style-type: none"> <li>• Statutory compliance, Transparency in disclosures, Tax revenues, Sound corporate governance mechanisms</li> <li>• Deliberations and inputs on acts, regulations, policies that have bearing on our operations and businesses</li> </ul>
Vendors, Contractors	No	<ul style="list-style-type: none"> <li>• Day to day interactions</li> <li>• Supplier assessments and audits</li> <li>• Regular meetings with key suppliers and subcontractors</li> </ul>	Regular	<ul style="list-style-type: none"> <li>• Procurement practices Environmental impact &amp; sustainability practices Business ethics Waste Management</li> <li>• Compliance with laws and regulations.</li> </ul>
Media	No	<ul style="list-style-type: none"> <li>• Press releases, quarterly results, annual reports</li> <li>• Annual general meeting (shareholder engagement)</li> <li>• Access information and media interactions.</li> </ul>	Quarterly and as and when required	<ul style="list-style-type: none"> <li>• Product launch, Performance reporting, good practices, awards and achievements</li> </ul>
Investors and Shareholders	No	<ul style="list-style-type: none"> <li>• Public notifications, newspaper</li> <li>• Advertisements, press releases, stock exchange filings</li> <li>• Corporate website</li> <li>• Dedicated email ID for investor grievances,</li> <li>• Quarterly results, annual reports, Quarterly investor presentations,</li> <li>• Annual general meeting (shareholder engagement)</li> <li>• Investors meets</li> <li>• Stakeholder Satisfaction Survey</li> </ul>	Quarterly and from time to time	<ul style="list-style-type: none"> <li>• Economic performance and growth</li> <li>• Shareholders awareness on business developments</li> <li>• Key risks related to the business</li> <li>• Dividend payments.</li> <li>• Material issues relating to Company</li> </ul>

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/Half yearly/Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	<ul style="list-style-type: none"> <li>Group email</li> <li>Notice, Board, Website</li> <li>Dedicated intranet platform</li> <li>Innerve and SOBHA's internal magazine</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>Latest developments and events Learning and development, Professional growth</li> </ul>
Community	No	<ul style="list-style-type: none"> <li>Personal Meetings, Focused Group Discussions, Day-to-day interactions</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>CSR activities and Programme implementation</li> <li>Programme related to regular monitoring, evaluation and reporting</li> <li>Training and Development programmes</li> <li>Engagement and Feedback</li> </ul>

### Leadership Indicators

**1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

Not Applicable

**2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Not Applicable

**3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.**

Not Applicable

## PRINCIPLE 5: Businesses should respect and promote human rights

### Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2024-25 (Current FY)			FY 2023-24 (Previous FY)		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
<b>Employees</b>						
Permanent	4,483	2,801	62.48	3,791	1,925	50.78
Other than permanent	22	3	13.64	23	-	0
<b>Total Employees</b>	<b>4,505</b>	<b>2,804</b>	<b>62.24</b>	<b>3,814</b>	<b>1,925</b>	<b>50.47</b>
<b>Workers</b>						
Permanent	0	0	0	0	0	0
Non-Permanent	23,926	0	0	0	0	0
<b>Total Workers</b>	<b>23,926</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2024-25 (Current FY)					FY 2023-24 (Previous FY)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
<b>Permanent</b>	<b>4,483</b>	-	-	<b>4,483</b>	<b>100</b>	<b>3,827</b>	-	-	<b>3,827</b>	<b>100</b>
Male	3,856	-	-	3,856	100	3,284	-	-	3,284	100
Female	627	-	-	627	100	543	-	-	543	100
<b>Other than Permanent</b>	<b>22</b>	-	-	<b>22</b>	<b>100</b>	<b>23</b>	-	-	<b>23</b>	<b>100</b>
Male	22	-	-	22	100	23	-	-	23	100
Female	0	-	-	0	0	0	-	-	0	0
<b>Workers</b>										
<b>Permanent</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
<b>Other than Permanent</b>	<b>23,926</b>	<b>21,187</b>	<b>88.55</b>	<b>2,739</b>	<b>11.45</b>	<b>21,535</b>	<b>16,607</b>	<b>77.11</b>	<b>4,928</b>	<b>22.88</b>
Male	23,342	20,694	88.66	2,648	11.34	20,992	16,103	76.71	4,889	23.29
Female	584	493	84.42	91	15.58	543	504	92.82	39	7.18

**3. Details of remuneration/salary/wages, in the following format:**

**a) Median remuneration/salary/wages paid**

	Male		Female	
	Number	Median remuneration/salary/wages of respective category (₹)	Number	Median remuneration/salary/wages of respective category (₹)
Board of Directors (BoD)	7	1,383,151	1	2,230,000
Key Managerial Personnel	3	10,325,748	0	0
Employees other than BoD and KMP	3,874	549,516	627	500,928
Workers	0	0	0	0

**b) Gross wages paid to females as % of total wages paid by the entity, in the following format:**

	FY 2024-25 (Current FY)	FY 2023-24 (Previous FY)
Gross wages paid to females	421,787,412	356,298,576
Total wages	3,668,374,452	2,814,364,739
Gross wages paid to females as % of total wages	11.50%	12.66%

**4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes, the primary responsibility for addressing human rights issues currently rests with the respective Project Heads, Business Heads, and Plant Heads with a mechanism for escalation to Managing Director and Board.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

The grievance can be raised with their respective Project Heads/Business Heads/Plant Heads and will be resolved with the necessary action based on the circumstances.

**6. Number of Complaints on the following made by employees and workers:**

	FY 2024-25 (Current FY)			FY 2023-24 (Previous FY)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0		0	0	
Discrimination at workplace	0	0		0	0	
Child Labour	0	0		0	0	
Forced Labour/ Involuntary Labour	0	0		0	0	
Wages	0	0		0	0	
Other human rights related issues	0	0		0	0	

**7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

	<b>FY 2024-25 (Current FY)</b>	<b>FY 2023-24 (Previous FY)</b>
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Female employees/workers	1,211	691
Complaints on POSH as a % of female employees/workers	0	0
Complaints on POSH upheld	0	0

**8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

The Company's Whistleblower Policy provides a secure and confidential mechanism for stakeholders to report actual, suspected, or potential misconduct without fear of retaliation. In parallel, the Code of Conduct reinforces the Company's commitment to a harassment-free workplace by explicitly prohibiting any form of harassment or discrimination based on gender, race, religion, disability, age, sexual orientation, or any other protected category under applicable laws.

**9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

No

**10. Assessments for the year:**

	<b>% of your plants and offices that were assessed (by entity or statutory authorities or third parties)</b>
Child labor	100%
Forced/involuntary labor	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	0

**11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.**

Not Applicable

**Leadership Indicators**

**1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.**

Not applicable

**2. Details of the scope and coverage of any Human rights due diligence conducted.**

Not applicable

**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes

#### 4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	
Discrimination at workplace	
Child labour	
Forced/involuntary labour	Nil
Wages	
Others – please specify	

The company expects its value chain partners to uphold the same values and business ethics as per company norms. However, no formal examinations of value chain partner have been conducted.

#### 5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.

Not Applicable

### PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

#### Essential Indicators

#### 1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2024-25 (Current FY)	FY 2023-24 (Previous FY)
<b>From renewable sources</b>		
Total electricity consumption (A)	8,381.67	9,212
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
<b>Total energy consumed from renewable sources (A+B+C)</b>	8381.67	9,212
<b>From non-renewable sources</b>		
Total electricity consumption (D)	84,150.24	95,246
Total fuel consumption (E)	36,392.80	9,270
Energy consumption through other sources (F)	0	0
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	120,543.04	104,516
<b>Total energy consumed (A+B+C+D+E+F)</b>	128,924.71	113,728
<b>Energy intensity per rupee of turnover</b> (Total energy consumed/Revenue from operations)	0.0000030678	0.000003529
<b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total energy consumed/Revenue from operations adjusted for PPP)	62.68	74.67
<b>Energy intensity in terms of physical output</b>	15,722.53	14,216
Energy intensity (optional) – the relevant metric may be selected by the entity		

**Note:** Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2024-25 (Current FY)	FY 2023-24 (Previous FY)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	0	0
(ii) Groundwater	28,747	159,697
(iii) Third party water	731,658	892,057
(iv) Seawater/desalinated water	0	0
(v) Others	488,926	122,312
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	1,249,331	1,174,066
<b>Total volume of water consumption (in kilolitres)</b>	1,249,331	1,174,066
Water intensity per rupee of turnover (Total water consumption/Revenue from operations)	0.000030	0.000038
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP)	0.00061	0.00077
Water intensity in terms of physical output	152,357.43	146,758.25
Water intensity (optional) – the relevant metric may be selected by the entity		

**Note:** Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

4. Provide following details related to water discharged:

Parameter	FY 2024-25 (Current FY)	FY 2023-24 (Previous FY)
<b>Water discharge by destination and level of treatment (in Kilolitres)</b>		
<b>(i) To Surface water</b>		
i. No Treatment	-	-
ii. With Treatment – please specify level of treatment	-	-
<b>(ii) To Groundwater</b>		
i. No Treatment	-	-
ii. With Treatment – please specify level of treatment	-	-
<b>(iii) To Seawater</b>		
i. No Treatment	-	-
ii. With Treatment – please specify level of treatment	-	-
<b>(iv) Sent to third-parties</b>		
i. No Treatment	-	-
ii. With Treatment – please specify level of treatment	70,443.9	-

Parameter	FY 2024-25 (Current FY)	FY 2023-24 (Previous FY)
<b>(V) Others</b>		
i. No Treatment	-	-
ii. With Treatment – please specify level of treatment	-	-
<b>Total water discharged (in Kilolitres)</b>	<b>70,443.9</b>	-

**Note:** Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

**5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

NA, Treated wastewater from our project offices and factories are recycled for flushing and reused for irrigation purposes in the landscaped areas of the projects. At construction sites, treated wastewater is used for dust suppression and curing. Excess treated water is also being used for construction purposes, Avenue plantations and also sold to third party vendors for further use.

**6. Please provide details of air emissions (other than GHG emissions) by the entity in the following format :**

Parameter	Please specify the unit	FY 2024-25 (Current FY)	FY 2023-24 (Previous FY)
Nox	ug/m3	< 80	< 80
SOx	ug/m3	< 80	< 80
Particulate Matter	ug/m3	< 100	< 100
Persistent organic pollutants (POPs)	ug/m3	0	<.001
Volatile organic compounds (VOC)	ug/m3	0	<5
Hazardous air pollutants (HAP)	ug/m3	0	<.006
Others – please specify			

**Note:** Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

**7. Please provide details of green house gas emissions (Scope 1 & Scope 2) and its intensity in the following format:**

Parameter	Unit	FY 2024-25 (Current FY)	FY 2023-24 (Previous FY)
Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	tCO <sub>2</sub> e	2,771.78	1,055
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	tCO <sub>2</sub> e	16,998.23	21,695
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations)	tCO <sub>2</sub> e/INR	0.00000047	0.00000073
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP)	tCO <sub>2</sub> e/INR	0.00000096	0.000015
Total Scope 1 and Scope 2 emission intensity in terms of physical output	tCO <sub>2</sub> e PerUnit	2,410.92	2,843.75
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	tCO <sub>2</sub> e PerUnit	-	-

**8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

Green energy is being procured for the Corporate Office, and rooftop solar PV systems have been installed at the Glazing & Metals and Interiors Divisions to enhance on-site renewable energy generation and reduce reliance on grid electricity, thereby contributing to the reduction of Scope 2 GHG emissions.

**9. Provide details related to waste management followed by the entity in the following format:**

Parameter	FY 2024-25 (Current FY)	FY 2023-24 (Previous FY)
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	215.45	28.9
E-waste (B)	0	0.84
Bio-medical waste (C)	0.6	0.44
Construction and demolition waste (D)	2,878	1,117.21
Battery waste (E)	1.52	0.03
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	4.8	16.05
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	1,752.38	2,476.35
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>4,852.75</b>	<b>3,639.82</b>
Waste intensity per rupee of turnover (Total waste generated/Revenue from operations)	0.00000012	0.00000012
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/Revenue from operations adjusted for PPP)	0.00000024	0.00000024
Waste intensity in terms of physical output	591.8	455.0
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>	<b>0</b>	<b>0</b>
(i) Recycled	1,752.38	1,860.05
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
<b>Total</b>	<b>1,752.38</b>	<b>1,860.05</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	3,100.37	1,765.15
<b>Total</b>	<b>3,100.37</b>	<b>1,765.15</b>

Wastes from operational projects have not been considered for FY 2024-2025.

**10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

Biodegradable solid waste is processed on-site using organic waste converters, with the resulting compost utilized as manure in landscaped areas. Non-biodegradable waste is handed over to authorized vendors for appropriate disposal. Construction and hazardous waste are managed through authorized recyclers, while concrete waste generated at project sites is sent to the Concrete Products Division for recycling and reuse.

11. If the entity has operation in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:

Sr. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N)	If no, the reasons thereof and corrective action taken, if any
1	Bengaluru	Construction Projects	Yes	
2	Kochi	Construction Projects	Yes	
3	Kozhikode	Construction Projects	Yes	

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
Proposed Residential Apartment with Town Center and Activity Areas By M/s. Urban Space Projects Private Limited & Others C/o. M/s. Sobha Limited	Proposal No.: SIA/KA/INFRA2/47 4452/2024	2024-05-22	Yes	Yes	<a href="https://shorturl.at/pTwzG">https://shorturl.at/pTwzG</a>

13. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law/regulation/guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
			Yes	

### Leadership Indicators

#### 1. Water consumption, withdrawal and discharge in areas of water stress (in Kilolitres)

For each facility or plant located in the following areas, provide the following information

- Name of area
- Nature of operations
- Water withdrawal, consumption and discharge in the following format

Parameter	FY 2024-25 (Current FY)	FY 2023-24 (Previous FY)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water		Not Assessed.
(iv) Seawater/desalinated water		
(v) Others		
<b>Total volume of water withdrawal (in kilolitres)</b>		

Parameter	FY 2024-25 (Current FY)	FY 2023-24 (Previous FY)
<b>Total volume of water consumption (in kilolitres)</b>		
Water intensity per rupee of turnover (Water consumed/turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)		
<b>(i) Into Surface water</b>		
- No treatment		
- With treatment – please specify level of treatment		
<b>(ii) Into Groundwater</b>		
- No treatment		
- With treatment – please specify level of treatment		Not Assessed.
<b>(iii) Into Seawater</b>		
- No treatment		
- With treatment – please specify level of treatment		
<b>(iv) Sent to third-parties</b>		
- No treatment		
- With treatment – please specify level of treatment		
<b>(v) Others</b>		
- No treatment		
- With treatment – please specify level of treatment		
<b>Total water discharged (in kilolitres)</b>		

**Note:** Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

**2. Provide details of scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	FY 2024-25 (Current FY)	FY 2023-24 (Previous FY)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO2e	-	-
Total Scope 3 emissions per rupee of turnover	tCO2ePerINR	-	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	tCO2ePerUnit	-	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

**3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Our company is committed to minimizing its impact on biodiversity. Given the nature of our activities, we assess that our business has a minimal effect on the environment. All our greenfield projects undergo an Environmental Impact Assessment during the initial phases to identify potential impacts and mitigation measures to address these impacts. We implement mitigation measures as part of our ongoing projects to ensure the reduction of any negative effects on the environment.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency or reduce impacts due to emissions/effluent discharge/waste generated, please provide details or outcomes of such initiatives, in the following format:

Sr. No.	Initiatives Undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the Initiatives
1	Re-cycling of construction and demolition waste	Our concrete manufacturing division recycles the construction and demolition waste into Aggregates, which are used as raw materials for manufacturing of concrete blocks	Currently, 50% of the raw of materials are saved due to recycling of C&D waste.
2	Implementation of Solar rooftop	Our Glazing division has implemented a on-site solar generation plant to cement our commitment.	Overall we consume 7% renewable energy in our overall operation

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.

Yes, the Company has a business continuity and disaster management plan focusing on business continuity to address disruptive events like fire, earthquake, cyber attack etc. The business continuity plan is closely linked with Risk Management System in the organization.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

The organization is currently not assessing the environmental impacts associated with its value chain activities

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Zero. The company currently does not evaluate its value chain partners for their environmental impacts.

**PRINCIPLE 7: Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**Essential Indicators**

1. a) *Number of affiliations with trade and industry chambers/associations.*

The Company is a member of one trade and industry chambers/associations.

b) *List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.*

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	CREDAI Bengaluru	Karnataka

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Not applicable

Name of Authority	Brief of the case	Corrective action taken
	NIL	

## Leadership Indicators

### 1. Details of public policy positions advocated by the entity:

Sr. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/Half yearly/Quarterly/ Others – please specify)	Web Link, if available
Not Applicable					

## PRINCIPLE 8: Businesses should promote inclusive growth and equitable development.

### Essential Indicators

### 1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA notification no.	Date of notification	Whether conducted by independent external agency (Yes/No)	Resulted communicated in public domain (Yes/No)	Relevant Web Link
Not Applicable					

### 2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:

Sr. No.	Name of project for which R&R is ongoing	State	District	No of Project Affected Families(PAFs)	% of PAF covered by R&R	Amount Paid to PAFs in the FY (in INR)
Not Applicable						

### 3. Describe the mechanisms to receive and redress grievances of the community.

All the grievances of the community can be sent to any of the Head Plant location/HR/Admin teams who will handle the same.

### 4. Percentage of input material (inputs to total inputs by value) sourced from local or small-scale suppliers:

	FY 2024-25 (Current FY)	FY 2023-2024 (Previous FY)
Directly sourced from MSMEs/Small producers		
Sourced directly from within India		Not Applicable

### 5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost.

Location	FY 2024-25 (Current FY)	FY 2023-2024 (Previous FY)
Rural	-	-
Semi-urban	-	-
Urban	10.48	11.34
Metropolitan	89.52	88.66

## Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not applicable	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sr. No.	State	Aspirational District	Amount Spent (in INR)
Nil			

**Note:** Company execute its CSR activities through its CSR arm Sri Kuramba Educational and Charitable Trust, a public Trust in 3 village panchayat limit of Kerala state.

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/vulnerable groups? (Yes/No)

Majority of the Company's procurement is of industrial origin and procured in bulk. The Company does not have a preferential procurement policy to purchase from suppliers comprising marginalized/vulnerable groups.

(b) From which marginalized/vulnerable groups do you procure?

Not Applicable

(c) What percentage of total procurement (by value) does it constitute?

Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.

Sr. No.	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
Not applicable				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
Not applicable		

6. Details of beneficiaries of CSR Projects.

Sr. No.	CSR Project	No of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized group
1	Sobha Health Care	33,451	100%
2	Sobha Community Home Project	480	100%
3	Sobha Academy	1,170	100%
4	Sobha Icon	211	100%

**PRINCIPLE 9: Businesses should engage with and provide value to their consumers in responsible manner**

**Essential Indicators**

**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

Our procedures for addressing consumer complaints and feedback are meticulously structured and customer-centric, focusing on providing swift responses and timely resolutions to customer inquiries, feedback, and complaints. We have a specialized team, Customer Relationship Management (CRM), for managing customer complaints and concerns. Upon receipt of a customer concern through any communication channel, our CRM team initiates detailed discussions with the customer within 24 hours of receiving the complaint. The CRM Team ensures resolution of the Complaint in a timely manner. Any feedback received from the customers are taken on priority which significantly contribute to the continuous improvement on the quality of services and products delivered by the organization.

**2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:**

Type	As a percentage to total turnover
Environment and Social parameters relevant to product	-
Safe and responsible usage	-
Recycling and/or safe disposal	-

**3. Number of consumer complaints in respect of the following:**

	FY 2024-25 (Current FY)			FY 2023-2024 (Previous FY)		
	Received during the year	Pending resolution at the end of year	Remarks	Received during the year	Pending resolution at the end of year	Remarks
Data privacy	Nil	Nil	NA	Nil	Nil	NA
Advertising	Nil	Nil	NA	Nil	Nil	NA
Cyber-security	Nil	Nil	NA	Nil	Nil	NA
Delivery of essential services	Nil	Nil	NA	Nil	Nil	NA
Restrictive Trade Practices	Nil	Nil	NA	Nil	Nil	NA
Unfair Trade Practices	Nil	Nil	NA	Nil	Nil	NA
<b>Others</b>						
(i) Project related queries/complaints	4,769	298	NA	6,416	104	NA
(ii) Consumer disputes	-	-	NA	1	-	NA
RERA Related cases	39	31	NA	26	14	NA

**4. Details of instances of product recalls on account of safety issues.**

Number	Reason for recall
Voluntary recalls	Not Applicable
Forced recalls	

**5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

No

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on the safety of products/services.**

Nil

**7. Provide the following information relating to data breaches:**

**a. Number of instances of data breaches:**

No issues Reported

**b. Percentage of data breaches involving personally identifiable information of customers:**

Not Applicable

**c. Impact, if any, of the data breaches:**

Not Applicable

**Leadership Indicators**

**1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).**

All the information about products and services of the entity is available in the public domain on the website. Also, for our business partners on the sales side, Company keeps them up-to-date with all our project information, latest schemes, communication, incentive plans and many others. Link to access the website: [www.sobha.com](http://www.sobha.com).

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

Process of handover of infrastructure assets to society/ association involves the handover of all relevant documents (test reports, commissioning certificates,

warranty certificates, work completion report, Operation & Maintenance manuals, Consent to Operate, as built drawings, etc.) pertaining to each of the assets and satisfactory demonstration of the infrastructure/asset in good condition.

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

From the time the customers/residents occupy the property, the Company manages the complete maintenance of the project including all day-to-day grievances of the occupants. During the initial two years of DLP (Defect liability period), the company handholds the occupants till the time the resident welfare committee is constituted, which may then choose to handover the maintenance management to third party or choose to be with the company as an external maintenance management party on completion of 2 years.

**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable)? If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

Yes, the entity displays the information about the product and its various features within the product. The company is bound by RERA however the product brochures also inform the customer about the sustainability features, and the related customer benefits. Provision of signages within the product also guides the customers to identify the features and its usage. Customer satisfaction is ensured by having continuous engagement right from the day of possession till society handover, timely response to their grievances and prompt service support. We do take feedback from our customers through customer surveys in which we request the customer to share feedback about their experience of the product, their journey throughout the possession of their flat, etc. These feedbacks provide an opportunity to us to understand the customer pain points and liking of the sustainability and other features and thereby improve on the offerings and processes.

# Independent Auditor's Report

To the Members of Sobha Limited

Report on the Audit of the Standalone Financial Statements

## OPINION

1. We have audited the accompanying standalone financial statements of Sobha Limited ('the Company'), which comprise the Standalone Balance Sheet as at 31 March 2025, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flow and the Standalone Statement of Changes in Equity for the year then ended and notes to the standalone financial statements, including material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditor as referred to in paragraph 16 below, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

## BASIS FOR OPINION

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditor, in terms of their reports referred to in paragraph 16 of the Other Matter section below is sufficient and appropriate to provide a basis for our opinion.

## EMPHASIS OF MATTER

4. We draw attention to Note 39(5) of the accompanying standalone financial statements, regarding the search operation carried out by the Income Tax Department ('the department') at various business premises of the Company and certain other group companies during March 2023. The Company has received demand orders from the department for various assessment years, in respect of disallowances of certain expenses and addition of certain incomes, against which the Company has filed appeals before the Hon'ble Commissioner of Income Tax (Appeals), Bengaluru. Given the uncertainty and pending outcome of the legal proceedings, the Company, considering all available records and facts known to it including the independent legal review and opinion from external legal counsels obtained by it, has determined that no adjustments are required to the accompanying standalone financial statement in respect of the aforesaid demand orders.

Our opinion is not modified in respect of this matter.

## KEY AUDIT MATTERS

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Independent Auditor's Report (Cont'd)

6. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<b>1. Revenue recognition for sale of residential units</b>	
<p>The Company applies Ind AS 115, Revenue from Contracts with Customers ("Ind AS 115") for recognition of revenue from sale of residential units and revenue from joint development agreements. Refer note 2.2(a)(l)(i) and 25 to the standalone financial statements for accounting policy and related disclosures.</p> <p>Revenue is recognised upon transfer of control of residential units to customers for an amount which reflects the consideration the Company expects to receive in exchange for those units. The point of revenue recognition is normally based on the terms as included in the intimation for the handover of unit to the customer on completion of the project, and substantial collection is received. The Company recognises the revenue at a point in time upon handover/deemed handover of the residential units.</p> <p>For revenue contracts forming part of joint development arrangements that are not jointly controlled operations ('JDA'), the revenue from the development and transfer of constructed area/revenue share with corresponding land/ development rights received by the Company is measured at the fair value of the estimated construction service rendered by the Company to the landowner under JDA. Such revenue is recognised over a period of time in accordance with the requirements of Ind AS 115.</p> <p>Ind AS 115 requires significant judgment in determining when 'control' of the residential units is transferred to the customer. Further, for projects executed through JDA, significant estimate is undertaken by management for determining the fair value of the estimated construction service.</p> <p>Considering the significance of management judgements and estimates involved and the materiality of amounts involved, aforementioned revenue recognition is identified as a key audit matter.</p>	<p>Our audit procedures on revenue recognised from sale of residential units included, but were not limited to the following:</p> <ul style="list-style-type: none"> <li>• Evaluated the appropriateness of accounting policy for revenue recognition on sale of residential units in terms of principles enunciated under Ind AS 115;</li> <li>• Obtained and understood the revenue recognition process, evaluated the design and performed test of controls over revenue recognition including determination of point of transfer of control and completion of performance obligations on a sample basis;</li> <li>• Inspected, on a sample basis, underlying customer contracts and handover documents, evidencing the transfer of control of the residential units to the customer based on which revenue is recognised at a point in time;</li> <li>• For projects executed during the year in accordance with JDAs, we have performed the following additional procedures on a sample basis:</li> </ul> <p>How our audit addressed the key audit matter</p> <ul style="list-style-type: none"> <li>o Obtained and examined the computation of the fair value of the construction service under JDA with reference to project cost estimates and mark up considered by the management;</li> <li>o Obtained the JDAs entered into by the Company, including addendums thereto and compared the ratio of constructed area/ revenue sharing arrangement between the Company and the landowner as mentioned in the agreement to the computation statement prepared by the management; and</li> <li>o Tested the computation for recognition of revenue over a period of time for revenue contracts forming part of JDA and management's assessment of stage of completion of projects and project cost estimates.</li> <li>• Assessed the adequacy of disclosures included in the standalone financial statements in compliance with the requirements of Ind AS 115.</li> </ul>

## Independent Auditor's Report (Cont'd)

Key audit matter	How our audit addressed the key audit matter
<b>2. Revenue recognition for contractual construction and glazing projects</b>	
<p>The Company recognises revenue over a period of time in accordance with Ind AS 115, Revenue from Contracts with Customers ("Ind AS 115"). Refer note 2.2(a)(l)(ii)(iv) and 25 to the standalone financial statements for accounting policy and related disclosures.</p>	<p>Our audit procedures on revenue recognition for contractual construction and glazing projects included, but were not limited to the following</p>
<p>The Company recognises revenue from construction contracts on the basis of stage of completion over a period of time. The recognition of revenue is therefore dependent on estimates in relation to total estimated costs of each such contract, which involves judgement.</p>	<ul style="list-style-type: none"> <li>• Evaluated the appropriateness of accounting policy on revenue recognition for contractual construction and glazing projects in terms of principles enunciated under Ind AS 115;</li> </ul>
<p>Significant judgments are also involved in determining when the underlying performance obligations are satisfied and also determining expected losses, when such losses become probable based on the expected total contract cost. Cost contingencies are included in these estimates to take into account specific risks of uncertainties or disputed claims against the Company, arising within each contract. These contingencies are reviewed by the Management on a regular basis throughout the life of the contract and adjusted where appropriate.</p>	<ul style="list-style-type: none"> <li>• Evaluated the design and tested operating effectiveness of key controls around computation of stage of work completed, raising of invoices and estimating the cost to complete the project;</li> </ul>
<p>Considering the significance of management judgements and estimates involved and the materiality of amounts involved, revenue recognition from contractual construction and glazing projects are identified as a key audit matter.</p>	<ul style="list-style-type: none"> <li>• On a sample basis, tested costs incurred by examining underlying invoices and other applicable documents;</li> </ul>
	<ul style="list-style-type: none"> <li>• For sample contracts active during the year, verifying the underlying documents including work orders, last invoice, and customer acceptance on the latest RA bills/ Completion letter where applicable;</li> </ul>
	<ul style="list-style-type: none"> <li>• Verified the mathematical accuracy of management's computation of stage of Completion with respect to Contractual and Glazing projects; and</li> </ul>
	<ul style="list-style-type: none"> <li>• Assessed the adequacy of disclosures included in the standalone financial statements in compliance with the requirements of Ind AS 115.</li> </ul>
<b>3. Assessing the recoverability of carrying value of Inventories, advances paid towards land procurement and deposits paid under joint development arrangements ("JDA")</b>	
<p>Refer note 2.2(c), 2.2(d), 2.2(o), 9, 12, 13 and 16 to the standalone financial statements for accounting policies on inventories, advances paid towards land procurement and deposits paid under JDA (financial asset) and related financial disclosures.</p>	<p>Our procedures in assessing the carrying value of the inventories, land advances and deposits paid under JDA included, but were not limited to the following:</p>
<p>As at 31 March 2025, the carrying value of the inventory comprising of Work in progress, Stock of residential units in completed projects and land stock is ₹100,230.71 million, land advances is ₹8,439.68 million, Advances for joint development agreements is ₹ 3,702.47 million and refundable deposits paid under JDA is ₹6,238.59 million, represents a significant portion of the Company's total assets.</p>	<ul style="list-style-type: none"> <li>• Evaluated the appropriateness of accounting policies with respect to inventories, land advances and deposits paid under JDA in terms of principles enunciated under applicable accounting standards;</li> </ul>

## Independent Auditor's Report (Cont'd)

Key audit matter	How our audit addressed the key audit matter
<p>The inventories are carried at lower of cost and net realisable value ('NRV'). The determination of the NRV involves estimates based on prevailing market conditions and taking into account the estimated future selling price, cost to complete projects and selling costs.</p>	<ul style="list-style-type: none"> <li>• Evaluated the design and tested operation of internal controls related to comparing NRV/ net recoverable value with carrying amount of inventory, land advances and deposits paid under JDA;</li> </ul>
<p>Advances paid by the Company to the seller/ intermediary towards outright purchase of land is recognised as land advance under other assets during the course of transferring the legal title to the Company, whereupon it is transferred to land stock under inventories. Further, deposits paid under joint development arrangements are in the nature of non-refundable/ refundable deposits, for acquiring the development rights. On the launch of the project, the non-refundable amount is transferred as land cost to work-in-progress.</p>	<ul style="list-style-type: none"> <li>• Inquired with management to understand key assumptions used in determination of the NRV/ net recoverable value;</li> </ul>
<p>The aforesaid deposits and advances are carried at the lower of the amount paid/payable and net recoverable value, which is based on the management's assessment including the expected date of commencement and completion of the project and the estimate of sale prices and construction costs of the project.</p>	<ul style="list-style-type: none"> <li>• For inventory balance:               <ul style="list-style-type: none"> <li>o Compared the NRV to recent sales in the project or to the estimated selling price;</li> <li>o Compared the estimated construction costs to complete each project with the Company's updated budgets; and</li> <li>o For land stock, on a sample basis, obtained the fair valuation reports or the guidance values and reviewed the valuation methodology, key estimates and assumptions adopted in the valuation. Involved auditor's valuation expert, where such fair valuation reports were obtained.</li> </ul> </li> </ul>
<p>We identified the assessment towards recoverability of carrying value of inventory, land advances and deposits paid under JDA as a key audit matter due to the significance of the balance to the standalone financial statements as a whole and the involvement of estimates and judgement in the assessment.</p>	<ul style="list-style-type: none"> <li>• For land advances/deposits paid under JDA:               <ul style="list-style-type: none"> <li>o Obtained an update on the status of the land acquisition/ project progress from the management and verified the underlying documents for related developments;</li> <li>o For land advances, compared the acquisition cost of the underlying land with the guidance values; and</li> <li>o Carried out external confirmation procedures on sample basis to obtain evidence supporting the carrying value of land advance and deposits paid under JDA.</li> </ul> </li> </ul>
	<ul style="list-style-type: none"> <li>• Assessed the adequacy of disclosures included in the standalone financial statements in compliance with the applicable accounting standards.</li> </ul>

## Independent Auditor's Report (Cont'd)

Key audit matter	How our audit addressed the key audit matter
<p><b>4. Assessment of certain transactions entered into by the Company and recoverability of balances, on which regulatory proceedings are ongoing</b></p>	
<p>The Company had entered into a joint development arrangement with certain landowners in Gurugram, Haryana, in earlier years. In respect of this transaction, the Enforcement Directorate ('ED') after due investigation has filed a complaint with Adjudicating Authority, Prevention of Money Laundering ('AA-PML'), alleging certain irregularities in respect of the manner of allotment and pricing of certain plots under this project or payment of applicable fees and charges by the Company or the landowners, with respect to the terms and conditions mentioned in the development policy of Haryana Development and Regulation of Urban Areas Act (HDRUAA), 1975 and the bilateral agreement between the land owners and Directorate of Town and Country Planning, Haryana (DTCP) resulting in provisional attachment under the Prevention of Money Laundering Act, 2002 ('PMLA') of land parcels with value of ₹ 2,016.05 million held by Technobuild Developers Private Limited ('TDPL') disclosed under Note 39. The Company has entered into a Memorandum of Understanding ('MoU') with TDPL for acquiring land parcels using advances extended by the Company, of equivalent value. As per the MoU, TDPL and its affiliates cannot transfer land parcels without prior approval of the Company and the Company has absolute rights over land parcels acquired by TDPL and its affiliates acquired from such advance given by the Company.</p>	<p>Our audit procedures on this matter included, but were not limited to the following:</p>
<p>As part of the inquiry process, the Company and its officers have been asked to provide contracts, documents and justification in respect of this transaction by the concerned authorities. The Company and its officers have been responding to the queries raised / documents sought from time to time.</p>	<ul style="list-style-type: none"> <li>• Obtained an understanding from the management with respect to process and controls followed by the Company for identification, monitoring of significant developments and impact analysis in relation to the litigations, including completeness thereof;</li> </ul>
<p>During the previous year, AA-PML had passed an order confirming the provisional attachment of the aforesaid land parcels, to which the Company had appealed before the Appellate Tribunal.</p>	<ul style="list-style-type: none"> <li>• Gaining an understanding of the ongoing regulatory proceedings through discussions with the management, and reading the underlying case related documents, communications and legal opinions to ensure consistency with the explanations provided to us and we have also assessed the objectivity, experience, competence and independence of management's expert;</li> </ul>
<p>The Company, based on its overall assessment and independent legal opinion obtained, believes that these transactions have been carried out in accordance with all the applicable laws and regulations and the said bilateral agreement and has not identified any adverse material impact to the standalone financial statements.</p>	<ul style="list-style-type: none"> <li>• Evaluated and challenged the Company's assessment of recoverability of the balances outstanding as at the balance sheet date, the business rationale for entering these transactions, including considering the developments on the matter subsequent to the balance sheet date;</li> </ul>
<p>Considering the significance of the matter which involves uncertainty of outcome due to ongoing proceedings in AA-PML and significant judgements and estimates by the Company on the assessment of the legality and outcome of the above case, this is considered as a key audit matter.</p>	<ul style="list-style-type: none"> <li>• Engaged auditor's expert, who obtained an understanding of the current status of the litigation, reviewed independent legal opinion obtained by the management and considered relevant legal provisions and available precedents to validate the conclusions made by the management's expert;</li> </ul>
<p>Considering this matter is also fundamental to the understanding of the user of standalone financial statement, we draw attention to Note 39 of the standalone financial statements.</p>	<ul style="list-style-type: none"> <li>• Communicated and discussed periodic updates on these transactions with those charged with governance, including the recoverability and management's business rationale aspects for these transactions; and</li> </ul>
	<p>Assessed and validated the adequacy and appropriateness of the disclosures made by the management in the standalone financial statements.</p>

## Independent Auditor's Report (Cont'd)

### INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

7. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual report, if we conclude that there is a material misstatement therein, we required to communicate the matter to those charged with governance.

### RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

8. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
9. In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
10. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

11. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

## Independent Auditor's Report (Cont'd)

12. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
  - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
  - Obtain sufficient appropriate audit evidence regarding the business activities and financial statements of the Company which includes financial information of its partnership firm, to express an opinion on the standalone financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of the Company, of which we are the independent auditors. For the partnership firm included in the standalone financial statements, which have been audited by the other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.
13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Independent Auditor's Report (Cont'd)

### OTHER MATTER

16. The accompanying standalone financial statements include the company's share in the net profit (include other comprehensive income) of ₹ 10.04 for the year ended 31 March 2025 in respect of share of profit from one partnership firm whose financial statements have not been audited by us. These financials statements have been audited by the other auditor whose report has been furnished to us by the management, and our opinion on the standalone financial statements, in so far as it relates to the amounts and disclosures included in respect of this partnership firm, and our report in terms of sub section (3) of section 143 of the Act in so far as it relates to the aforesaid partnership firm, is based solely on the report of such other auditor.

Our opinion above on the standalone financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the work done by and the report of the other auditor.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

17. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
18. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
19. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
  - b) Except for the matters stated in paragraph 19(h)(vi) below on reporting under rule 11(g) of the Companies (Audits and Auditors) Rules, 2014 (as amended), in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The standalone financial statements dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
  - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of section 164(2) of the Act;
  - f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 19(b) above on reporting under section 143(3)(b) of the Act and paragraph 19(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

## Independent Auditor's Report (Cont'd)

- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2025 and the operating effectiveness of such controls, refer to our separate report in Annexure II wherein we have expressed an unmodified opinion; and
- h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company, as detailed in note 39 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2025.;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2025.;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2025.;
  - iv.
    - a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 46 (iv) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
    - b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 46 (v) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
  - v. The final dividend paid by the Company during the year ended 31 March 2025 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 18(a) to the accompanying standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March 2025 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

## Independent Auditor's Report (Cont'd)

- vi. As stated in Note 47 to the standalone financial statements and based on our examination which included test checks except for instances mentioned below, the Company in respect of financial year commencing on 1 April 2024, has used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, other than the consequential impact of the exceptions given below. Furthermore, other than the consequential impact of the exceptions given below, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

Nature of exception noted	Details of Exception
<p>Nature of exception noted Details of Exception Instances of accounting software for maintaining books of account for which the feature of recording audit trail (edit log) facility was not operated throughout the year for all relevant transactions recorded in the software.</p>	<p>The audit trail feature for accounting software used for maintenance of books of account was not enabled at the application level from 4 August 2024 to 31 March 2025 for certain masters except customer master and vendor master.</p> <p>The audit trail feature was not enabled at the application level for customer master and vendor master from 4 August 2024 to 18 March 2025. Further, though the audit trail logs have been enabled for the customer master and vendor master, the same can be deleted and hence was not operating effectively for the period 19 March 2025 to 31 March 2025.</p>
<p>Instances of accounting software maintained by a third party where we are unable to comment on the audit trail feature at database level</p>	<p>The accounting software used for maintenance of books of account for the period 4 August 2024 to 31 March 2025 is operated by a third-party software service provider. In the absence of any information on existence of audit trail (edit logs) for any direct changes made at the database level in the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with ISAE 3402, Assurance Reports on Controls at a Service Organization), we are unable to comment on whether audit trail feature with respect to the database of the said software was enabled and operated throughout the period.</p>

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**Manish Agrawal**  
Partner  
Membership No.: 507000  
UDIN: 25507000BMMKQV8641

Bengaluru  
29 May 2025

## **Annexure I referred to in paragraph 18 of the Independent Auditor's Report of even date to the members of Sobha Limited on the standalone financial statements for the year ended 31 March 2025**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) (A) In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:
  - (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment, investment property and relevant details of right-of-use assets and investment property under development under which the assets are physically verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment, relevant details of right-of-use assets, investment property and investment property under development were verified during the year and no material discrepancies were noted on such verification.
- (c) The title deeds of all the immovable properties (including investment properties) held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in Note 4 and Note 5 to the standalone financial statements, are held in the name of the Company. For title deeds of immovable properties in the nature of land and building situated at Bengaluru, Karnataka with gross carrying values of ₹3,231.67 million and at Gurugram, Haryana with gross carrying value of ₹ 697.49 million as at 31 March 2025, which have been mortgaged as security for loans or borrowings taken by the Company, confirmations with respect to title of the Company have been directly obtained by us from the respective lenders.
- (d) The Company has adopted cost model for its Property, Plant and Equipment (including right-of-use assets) and intangible assets. Accordingly, reporting under clause 3(i)(d) of the Order is not applicable to the Company.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) The inventories held by the Company primarily real estate segment comprise of stock of units in completed projects, work in progress of projects under development (including land stock). Having regard to the nature of inventory, the management has conducted physical verification of inventory by way of verification of title deeds, site visits conducted and continuous project progress monitoring by competent persons, at reasonable intervals during the year and no material discrepancies were noticed on such physical verification. The other inventories comprising of raw material (including that of real estate segment), work in progress and finished goods has been physically verified by the management at reasonable intervals during the year. In our opinion, the coverage and procedures of such verification by the management is appropriate and no discrepancy of 10% or more in aggregate for each class of inventory were noticed. In respect of inventory lying with third parties, these have substantially been confirmed by the third parties.
- (b) As disclosed in Note 19 to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of Rs. 5 crores by banks and financial institutions based on the security of current assets. The quarterly returns/statements, in respect of the working capital limits have been filed by the Company with such banks and financial institutions and such returns/statements are in agreement with the books of account of the Company for the respective periods, which were not subject to audit/review.
- (iii) The Company has not provided any guarantee or security or granted any advances in the nature of loans to companies, firms, limited liability partnerships during the year. Further, the Company has made investments in, and granted unsecured loans to companies during the year, in respect of which:

**Annexure I referred to in paragraph 18 of the Independent Auditor's Report of even date to the members of Sobha Limited on the standalone financial statements for the year ended 31 March 2025 (Cont'd)**

- (a) The Company has provided loans or guarantee to Subsidiaries during the year as per details given below:

(in ₹ million)

Particulars	Guarantees	Loans
Aggregate amount provided/granted during the year:		
- Subsidiaries	-	1,618.51
Balance outstanding as at balance sheet date in respect of above cases:		
- Subsidiaries	998.78	2,414.58

- (b) The Company has not provided any guarantee or given any security or granted any advances in the nature of loans during the year. Further, in our opinion, and according to the information and explanations given to us, the investments made and terms and conditions of the grant of all loans are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us, loans granted by the company amounting to ₹ 2,414.58 million are repayable on demand and terms and conditions for payment of interest thereon have not been stipulated. Further, such loans and interest thereon have not been demanded for repayment as on date.
- (d) There is no overdue amount in respect of loans granted to such companies, as these loans are repayable on demand, and such loans and interest thereon have not been demanded for repayment as on date.
- (e) The Company has not granted any loan which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans that existed as at the beginning of the year.
- (f) The Company has granted loans which are repayable on demand, as per details below:

(in ₹ million)

Particulars	All Parties	Promoters	Related Parties
Aggregate of loans/advances in nature of loan			
- Repayable on demand (A)	1,618.51	-	1,618.51
- Agreement does not specify any terms or period of repayment (B)	-	-	-
<b>Total (A+B)</b>	<b>1,618.51</b>	<b>-</b>	<b>1,618.51</b>
Percentage of loans to the total loans	100%	-	100%

- (iv) The Company has not entered into any transaction covered under section 185 of the Act. As the Company is engaged in providing infrastructural facilities as specified in Schedule VI of the Act, provisions of section 186 except sub-section (1) of the Act are not applicable to the Company. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sub-section (1) of section 186 of the Act in respect of investments, as applicable.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

**Annexure I referred to in paragraph 18 of the Independent Auditor's Report of even date to the members of Sobha Limited on the standalone financial statements for the year ended 31 March 2025 (Cont'd)**

- (vii) (a) In our opinion and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, we report that there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

<b>Name of the statute</b>	<b>Nature of dues</b>	<b>Gross Amount (₹ million)</b>	<b>Amount paid under Protest (₹ million)</b>	<b>Period to which the amount relates</b>	<b>Forum where dispute is pending</b>
Karnataka Value added tax, 2003	Demand of Tax, Interest and/or penalty	683.68	207.74	2007-08 to 2017-18	High Court of Karnataka
Kerala Value added tax, 2003	Demand of Tax, Interest and/or penalty	63.20	13.66	2010-11 2012-13 and 2013-14	Appeal filed with VAT Appellate Tribunal at Trivandrum
Andhra Pradesh, Value added tax, 2005	Demand of Tax, Interest and/or penalty	40.00	16.28	2004-05 and 2006-07 to 2007-08	Sales Tax Appellate Tribunal, Andhra Pradesh
Customs Act, 1962	Demand of Tax, Interest and/or penalty	1.30	-	2010-11	Central Excise and Service Tax Appellate Tribunal, Bengaluru
Income Tax Act, 1961	Demand of Tax Interest and/or penalty	751.72	128.29	2010-11, 2015-16 2017-18, 2021-22, 2022-23 and 2023-24	Commissioner of Income Tax (Appeals), Bangalore
Income Tax Act, 1961	Demand of Tax, Interest and/or penalty	383.35	-	2013-14	Deputy Commissioner of Income tax, Bengaluru
Finance Act, 1994 (Service Tax provisions)	Demand of Tax, Interest and/or penalty	420.30	112.58	2006-07 to 2017-18	Central Excise and Service Tax Appellate Tribunal, Bengaluru
The West Bengal, Value added tax, 2003	Demand of Tax, Interest and/or penalty	1.86	0.86	2009-10	WBCTO Appellate and Revision Board

**Annexure I referred to in paragraph 18 of the Independent Auditor's Report of even date to the members of Sobha Limited on the standalone financial statements for the year ended 31 March 2025 (Cont'd)**

<b>Name of the statute</b>	<b>Nature of dues</b>	<b>Gross Amount (₹ million)</b>	<b>Amount paid under Protest (₹ million)</b>	<b>Period to which the amount relates</b>	<b>Forum where dispute is pending</b>
Goods and Service Tax Act, 2017	Demand of Tax, Interest and/or penalty	0.90	0.09	2017-18	Additional Commissioner (Appeals), Bhubaneswar
Goods and Service Tax Act, 2017	Demand of Tax, Interest and/or penalty	1.7	0.17	2018-19	Joint Commissioner (Appeals), Bhubaneswar
Goods and Service Tax Act, 2017	Demand of Tax, Interest and/or penalty	13.6	1.36	July 2017 to March 2022	Additional Commissioner (Appeals), Cochin
Goods and Service Tax Act, 2017	Demand of Tax, Interest and/or penalty	320.51	-	July 2017 to March 2022	Assistant Commissioner of Central Tax and Central Excise, Kochi
Goods and Service Tax Act, 2017	Demand of Tax, Interest and/or penalty	14.10	-	July 2017 to March 2020	Joint Commissioner of Central Tax, Bengaluru East Commissionerate

- (viii) According to the information and explanations given to us, we report that no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.
- (ix) (a) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender. Further, according to the information and explanations given to us, loans amounting to ₹2,303.19 millions are repayable on demand and terms and conditions for payment of interest thereon have been stipulated and the payment of interest is regular. Further, such loans and interest thereon have not been demanded for repayment as on date.
- (b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.

**Annexure I referred to in paragraph 18 of the Independent Auditor's Report of even date to the members of Sobha Limited on the standalone financial statements for the year ended 31 March 2025 (Cont'd)**

- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilized for long term purposes.
- (e) In our opinion and according to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) In our opinion and according to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries or joint venture.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) During the year, the Company has made private placement of shares (representing offering of its equity shares through a qualified institution placement). In our opinion and according to the information and explanations given to us, the Company has complied with the requirements of section 42 and section 62 of the Act and the rules framed thereunder with respect to the same. Further, the amounts so raised were used for the purposes for which the funds were raised, though idle/surplus funds which were not required for immediate utilisation have been invested in readily realisable liquid investments.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the period covered by our audit.
- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act.
- (b) We have considered the reports issued by the Internal Auditors of the company till date for the period under audit.

**Annexure I referred to in paragraph 18 of the Independent Auditor's Report of even date to the members of Sobha Limited on the standalone financial statements for the year ended 31 March 2025 (Cont'd)**

- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.
  - (d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information in the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**Manish Agrawal**  
Partner  
Membership No.: 507000  
UDIN: 25507000BMMKRA8625

Bengaluru  
29 May 2025

## **Annexure II to the Independent Auditor's Report of even date to the members of Sobha Limited on the standalone financial statements for the year ended 31 March 2025**

### **INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ('THE ACT')**

1. In conjunction with our audit of the standalone financial statements of Sobha Limited ('the Company') as at and for the year ended 31 March 2025, we have audited the internal financial controls with reference to standalone financial statements of the Company as at that date.

### **RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR INTERNAL FINANCIAL CONTROLS**

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS**

3. Our responsibility is to express an opinion on the internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

### **MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS**

6. A Company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

**Annexure II to the Independent Auditor's Report of even date to the members of Sobha Limited on the standalone financial statements for the year ended 31 March 2025 (Cont'd)**

**INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS**

7. Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**OPINION**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI .

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**Manish Agrawal**  
Partner  
Membership No.: 507000  
UDIN: 25507000BMMKQV8641

Bengaluru  
29 May 2025

## SOBHA LIMITED

### STANDALONE BALANCE SHEET AS AT 31 MARCH 2025

(All amounts in ₹ millions, unless otherwise stated)

Particulars	Note	As at 31 March 2025	As at 31 March 2024
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	3,344.33	2,838.54
Investment property	5, 5a	2,812.20	2,725.20
Intangible asset under development	6	-	54.36
Other intangible assets	7	41.53	-
Right of use assets	38	196.26	205.29
Financial assets			
(i) Investments	8	4,478.18	4,675.06
(ii) Trade receivables	10	540.53	393.45
(iii) Loans	11	230.02	230.02
(iv) Other financial assets	12	604.96	896.63
Income tax assets (net)	33	307.02	307.02
Deferred tax asset (net)	33	2,290.21	1,113.90
Other non-current assets	13	10,183.80	10,772.72
		<b>25,029.04</b>	<b>24,212.19</b>
<b>Current assets</b>			
Inventories	9	105,329.02	88,485.10
Financial assets			
(i) Trade receivables	10	2,265.89	1,975.94
(ii) Cash and cash equivalents	14	1,123.48	1,046.30
(iii) Bank balance other than (ii) above	15	15,870.04	5,501.73
(iv) Loans	11	2,176.22	983.66
(v) Other financial assets	16	6,514.35	4,175.38
Other current assets	13	7,156.75	5,486.74
		<b>140,435.75</b>	<b>107,654.85</b>
		<b>165,464.79</b>	<b>131,867.04</b>
<b>Total assets</b>			
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	17	1,069.36	948.46
Other equity	18	43,149.68	22,630.81
		<b>44,219.04</b>	<b>23,579.27</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	19	7,323.33	6,716.09
(ii) Lease liabilities	38	409.62	213.44
(iii) Other financial liabilities	22	1,020.06	-
Provisions	21	258.39	245.54
		<b>9,011.40</b>	<b>7,175.07</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	19	3,538.04	11,870.51
(ii) Lease liabilities	38	116.24	48.80
(iii) Trade payables			
(A) Total outstanding dues of micro enterprises and small enterprises; and	23	-	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	23	5,613.64	6,133.05
(iv) Other financial liabilities	20	5,717.62	5,670.92
Other current liabilities	24	96,309.09	76,578.62
Provisions	21	275.20	223.12
Current tax liabilities (net)	33	664.52	587.68
		<b>112,234.35</b>	<b>101,112.70</b>
		<b>121,245.75</b>	<b>108,287.77</b>
		<b>165,464.79</b>	<b>131,867.04</b>
<b>Total liabilities</b>			
<b>Total equity and liabilities</b>			
Summary of material accounting policies	2.2		
The accompanying notes are an integral part of the standalone financial statements.			

As per our report of even date

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm registration number: 001076N/N500013

**Manish Agrawal**  
Partner  
Membership No.: 507000

**Place:** Bengaluru  
**Date:** 29 May 2025

For and on behalf of the Board of Directors of **Sobha Limited**

**Ravi PNC Menon**  
Chairman  
DIN: 02070036

**Yogesh Bansal**  
Chief Financial Officer

Bengaluru  
29 May 2025

**Jagadish Nangineni**  
Managing Director  
DIN: 01871780

**Bijan Kumar Dash**  
Company Secretary and  
Compliance Officer  
ACS17222

**SOBHA LIMITED****STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

Particulars	Note	Year ended 31 March 2025	Year ended 31 March 2024
<b>Income</b>			
Revenue from operations	25	40,666.65	30,919.48
Other income	26	1,358.14	1,306.97
<b>Total income</b>		<b>42,024.79</b>	<b>32,226.45</b>
<b>Expenses</b>			
Land (including development rights) and related cost		19,305.51	2,325.52
Cost of materials consumed	27	2,741.99	2,890.49
Purchase of project materials		12,951.27	9,856.90
Changes in inventories of building materials, land stock (including development rights), work in progress and finished goods	28	(17,070.24)	(4,680.34)
Sub-contractor cost		9,575.47	9,198.16
Employee benefits expense	29	4,051.96	3,526.20
Finance costs	30	1,884.79	2,399.10
Depreciation and amortisation expense	31	858.57	741.83
Other expenses	32	6,187.92	5,284.95
<b>Total expenses</b>		<b>40,487.24</b>	<b>31,542.81</b>
<b>Profit before tax</b>		<b>1,537.55</b>	<b>683.64</b>
Tax expenses			
Current tax	33	1,583.96	1,176.95
Tax adjustments relating to earlier year	33	-	11.87
Deferred tax credit	33	(1,168.73)	(970.87)
<b>Tax expense</b>		<b>415.23</b>	<b>217.95</b>
<b>Profit for the year</b>		<b>1,122.32</b>	<b>465.69</b>
<b>Other comprehensive income</b>			
<b>Item that will not be reclassified to profit or loss</b>			
Re-measurement loss on defined benefit plan	37	(30.13)	(16.79)
Income tax relating to above	33	7.58	4.23
<b>Other comprehensive income for the year, net of tax</b>		<b>(22.55)</b>	<b>(12.56)</b>
<b>Total comprehensive income for the year</b>		<b>1,099.77</b>	<b>453.13</b>
<b>Earnings per equity share [nominal value of ₹ 10 per share]</b>			
Basic EPS (in ₹)	34	10.99	4.91
Diluted EPS (in ₹)	34	10.99	4.91
Summary of material accounting policies	2.2		
The accompanying notes are an integral part of the standalone financial statements.			

As per our report of even date

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm registration number: 001076N/N500013

**Manish Agrawal**  
Partner  
Membership No.: 507000

**Place:** Bengaluru  
**Date:** 29 May 2025

For and on behalf of the Board of Directors of **Sobha Limited**

**Ravi PNC Menon**  
Chairman  
DIN: 02070036

**Yogesh Bansal**  
Chief Financial Officer

Bengaluru  
29 May 2025

**Jagadish Nangineni**  
Managing Director  
DIN: 01871780

**Bijan Kumar Dash**  
Company Secretary and  
Compliance Officer  
ACS17222

## SOBHA LIMITED

### STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2025

(All amounts in ₹ millions, unless otherwise stated)

Particulars	Note	Year ended 31 March 2025	Year ended 31 March 2024
<b>A Cash flows from operating activities</b>			
Profit before tax		1,537.55	683.64
<b>Adjustments to reconcile profit before tax to net cash flows from operating activities</b>			
Depreciation and amortisation expense	31	858.57	741.83
Profit on sale of property, plant and equipment		(0.53)	(2.41)
Finance costs (including fair value change in financial instruments)	30	1,884.79	2,399.10
Finance income (including fair value change in financial instruments)		(1,053.24)	(742.27)
Share in profits of partnership firm investments (post tax)	26	(10.53)	(43.40)
Impairment of property, plant and equipment		4.31	29.47
Allowance for credit loss on doubtful trade receivables		375.38	20.66
Provision for doubtful land advances		208.05	82.63
Liabilities no longer required written back		(71.48)	(197.63)
Other advances written off		224.62	50.21
<b>Operating profit before working capital changes</b>		<b>3,957.49</b>	<b>3,021.83</b>
<b>Working capital adjustments</b>			
Changes in trade receivables		(812.41)	502.73
Changes in inventories		(16,810.47)	(5,824.88)
Changes in other current and non-current financial assets		(2,062.29)	294.17
Changes in other current and non-current assets		(1,289.14)	(1,209.70)
Changes in trade payables		(447.93)	374.53
Changes in provisions		(813.31)	20.25
Changes in other current and non-current financial liabilities		1,839.26	(2,914.09)
Changes in other current liabilities		19,730.47	13,269.73
<b>Cash generated from operating activities</b>		<b>3,291.67</b>	<b>7,534.57</b>
Income tax paid (net of refund)		(1,507.12)	(694.11)
<b>Net cash flows from operating activities (A)</b>		<b>1,784.55</b>	<b>6,840.46</b>
<b>B Cash flow from investing activities</b>			
Purchase of property, plant and equipment, investment property and intangible assets (including capital work in progress and investment property under development)		(1,306.95)	(1,233.53)
Proceeds from sale of property, plant and equipment		7.80	7.96
Loans given to subsidiaries		(1,542.97)	(862.62)
Loans repaid by subsidiaries		505.30	378.26
Withdrawal/(contribution) to partnership firm (net)		204.28	(110.40)
Investments in fixed deposits (net)		(10,365.18)	(3,820.38)
Interest income		688.72	356.07
<b>Net cash flows used in investing activities (B)</b>		<b>(11,809.00)</b>	<b>(5,284.64)</b>
<b>C Cash flow from financing activities</b>			
Proceeds from issue of equity shares, net (including securities premium)		19,842.22	-
Repayments of current borrowings (net)		(4,913.07)	(701.79)
Proceeds from non-current borrowings		7,365.06	6,645.38
Repayment of non-current borrowings		(10,177.22)	(6,751.35)
Repayment of principal portion of lease liabilities		(56.96)	(48.89)
Repayment of interest portion of lease liabilities		(25.54)	(25.12)
Interest paid		(1,630.24)	(2,066.72)
Dividend paid on equity shares	18	(302.62)	(284.54)
<b>Net cash flows from/(used in) financing activities (C)</b>		<b>10,102.03</b>	<b>(3,233.03)</b>
Net increase/(decrease) in cash and cash equivalents (A+B+C)		77.18	(1,677.21)
Cash and cash equivalents at the beginning of the year		1,046.30	2,723.51
<b>Cash and cash equivalents at the end of the year</b>	14	<b>1,123.48</b>	<b>1,046.30</b>
<b>Less: Book overdraft from scheduled banks</b>	20	<b>(510.39)</b>	<b>(427.28)</b>
<b>Net Cash and cash equivalents at the end of the year</b>	14	<b>613.09</b>	<b>619.02</b>
Changes in liabilities arising from financing activities	14		

The above Standalone Statement of Cash Flow has been prepared under the "Indirect Method" as set out in the Ind AS 7, 'Statement of Cash flow'.

Summary of material accounting policies

2.2

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm registration number: 001076N/N500013

**Manish Agrawal**

Partner

Membership No.: 507000

Place: Bengaluru

Date: 29 May 2025

For and on behalf of the Board of Directors of **Sobha Limited**

**Ravi PNC Menon**

Chairman

DIN: 02070036

**Yogesh Bansal**

Chief Financial Officer

Bengaluru

29 May 2025

**Jagadish Nangineni**

Managing Director

DIN: 01871780

**Bijan Kumar Dash**

Company Secretary and

Compliance Officer

ACS17222

**SOBHA LIMITED**  
**STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**A. EQUITY SHARE CAPITAL (\*)**

Particulars	Amount
<b>Balance as at 1 April 2023</b>	<b>948.46</b>
Changes in equity share capital during the year	-
<b>Balance as at 31 March 2024</b>	<b>948.46</b>
<b>Balance as at 1 April 2024</b>	<b>948.46</b>
Changes in equity share capital during the year	120.90
<b>Balance as at 31 March 2025</b>	<b>1,069.36</b>

**B. OTHER EQUITY**

Particulars	Attributable to owners of the Company					Total	
	Note	Reserves and Surplus			Items of OCI		
		Capital redemption reserve	Securities premium	General reserve	Retained earnings		Other items of OCI
<b>Balance as at 1 April 2023</b>		<b>119.47</b>	<b>9,328.92</b>	<b>4,443.79</b>	<b>8,620.32</b>	<b>(50.28)</b>	<b>22,462.22</b>
Profit for the year		-	-	-	465.69	-	465.69
Other comprehensive income		-	-	-	-	(12.56)	(12.56)
<b>Total comprehensive income for the year ended 31 March 2023</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>465.69</b>	<b>(12.56)</b>	<b>453.13</b>
<b>Transfer to other reserves</b>							
General reserve	18	-	-	46.57	(46.57)	-	-
<b>Total transfer to other reserves</b>		<b>-</b>	<b>-</b>	<b>46.57</b>	<b>(46.57)</b>	<b>-</b>	<b>-</b>
<b>Transaction with owners, recorded directly in equity</b>							
Dividend		-	-	-	(284.54)	-	(284.54)
<b>Total distribution to owners</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(284.54)</b>	<b>-</b>	<b>(284.54)</b>
<b>Balance as at 31 March 2024</b>		<b>119.47</b>	<b>9,328.92</b>	<b>4,490.36</b>	<b>8,754.90</b>	<b>(62.84)</b>	<b>22,630.81</b>
Profit for the year		-	-	-	1,122.32	-	1,122.32
Other comprehensive income		-	-	-	-	(22.55)	(22.55)
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>1,122.32</b>	<b>(22.55)</b>	<b>1,099.77</b>
<b>Transfer to other reserves</b>							
General reserve	18	-	-	112.23	(112.23)	-	-
<b>Total transfer to other reserves</b>		<b>-</b>	<b>-</b>	<b>112.23</b>	<b>(112.23)</b>	<b>-</b>	<b>-</b>
Premium on issue of right equity shares	18	-	19,721.72	-	-	-	19,721.72
<b>Total premium on issue of right equity shares</b>		<b>-</b>	<b>19,721.72</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,721.72</b>
<b>Transaction with owners, recorded directly in equity</b>							
Dividend	18	-	-	-	(302.62)	-	(302.62)
<b>Total distribution to owners</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(302.62)</b>	<b>-</b>	<b>(302.62)</b>
<b>Balance as at 31 March 2025</b>		<b>119.47</b>	<b>29,050.64</b>	<b>4,602.59</b>	<b>9,462.37</b>	<b>(85.39)</b>	<b>43,149.68</b>

(\*) Refer Note 17

Summary of material accounting policies 2.2  
 The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached

For **Walker Chandio & Co LLP**  
 Chartered Accountants  
 Firm registration number: 001076N/N500013

**Manish Agrawal**  
 Partner  
 Membership No.: 507000

**Place:** Bengaluru  
**Date:** 29 May 2025

For and on behalf of the Board of Directors of **Sobha Limited**

**Ravi PNC Menon**  
 Chairman  
 DIN: 02070036

**Yogesh Bansal**  
 Chief Financial Officer

Bengaluru  
 29 May 2025

**Jagadish Nangineni**  
 Managing Director  
 DIN: 01871780

**Bijan Kumar Dash**  
 Company Secretary and  
 Compliance Officer  
 ACS17222

## **SOBHA LIMITED**

### **NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

#### **1 CORPORATE INFORMATION**

Sobha Limited (the 'Company') was incorporated on 07 August 1995 under the provision of erstwhile Companies Act, 1956. The Company is engaged in the business of real estate construction, development, sale, management and operation of all or any part of townships, housing projects, commercial premises and other related activities. The Company is also engaged in manufacturing activities related to interiors, glazing and metal works and concrete products which also provides backward integration to Sobha's turnkey projects.

The Company is a public limited company, incorporated and domiciled in India and has its registered office at, Sarjapur – Marathahalli Outer Ring Road (ORR), Devarabisanahalli, Bellandur Post, Bengaluru - 560 103. The Company's equity shares are listed on two recognized stock exchanges in India namely National Stock Exchange of India Limited and BSE Limited.

#### **2.1 BASIS OF PREPARATION**

##### **a. Statement of compliance**

The standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind-AS) specified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015 and other accounting principles generally accepted in India.

The standalone financial statements for the year ended 31 March 2025 were authorized and approved for issue by the Board of Directors on 29 May 2025. The revision to financial statements is permitted by Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of Companies Act, 2013.

##### **b. Functional and presentation currency**

These standalone financial statements are presented in Indian Rupee ('₹') which is also the functional and presentation currency of the Company. All amounts have been rounded-off to the nearest million (two decimals), unless otherwise indicated.

##### **c. Basis of measurement**

These standalone financial statements have been prepared on going concern basis under the historical cost basis except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

##### **d. Use of estimates**

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. The Management believes that, although these estimates used in preparation of the financial statements are prudent and reasonable and are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities. The effect of change in an accounting estimate is recognized prospectively. Significant management judgement in applying accounting policies and estimation uncertainty have been disclosed in note 2.3.

## **SOBHA LIMITED**

### **NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

#### **e. Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116, 'Leases', and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2, 'Inventories', or value in use in Ind AS 36, 'Impairment of assets'.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques have been disclosed in note 2.2(o)(xi).

#### **f. Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

The Company classifies an asset as current asset when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the asset primarily for the purpose of trading;
- it expects to realise the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counter/party, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

The real estate development projects undertaken by the Company generally run over a period ranging up to 5 years. Based on the nature of service and the time between the acquisition of assets for development and their realization in cash and cash equivalents, Operating assets and liabilities relating to such projects are classified as current based on an operating cycle as 5 years. For all other assets and liabilities the Company has considered twelve months.

## **SOBHA LIMITED**

### **NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

## **2.2 MATERIAL ACCOUNTING POLICIES**

### **a) Revenue recognition**

#### **I. Revenue from contracts with customers**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other credits, if any, as specified in the contract with the customer. The Company presents revenue from contracts with customers net of indirect taxes in its statement of profit and loss.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

The Company has applied five step model as per Ind AS 115 'Revenue from contracts with customers' to recognise revenue in the standalone financial statements. The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- a) The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- b) The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- c) The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date.

For performance obligations where any of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue is recognised either at point of time or over a period of time based on various conditions as included in the contracts with customers.

The billing schedules agreed with customers include periodic performance-based billing and/or milestone-based progress billings. Revenues in excess of billing are classified as unbilled revenue, while billing in excess of revenues is classified as contract liabilities (which we refer to as deferred revenues).

#### **i) Recognition of revenue from sale of real estate property**

Revenue from real estate development of residential unit is recognised at the point in time, when the control of the asset is transferred to the customer, which generally coincides with transfer of physical possession of the residential unit to the customer i.e., handover/deemed handover of the residential units. Deemed hand/over of the residential units is considered upon intimation to the customers about receipt of occupancy certificate and receipt of substantial sale consideration.

Revenue consists of sale of undivided share of land and constructed area to the customer, which have been identified by the Company as a single performance obligation, as they are highly interrelated/interdependent.

## **SOBHA LIMITED**

### **NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

Further, for projects executed through joint development arrangements not being jointly controlled operations, wherein the land owner/possessor provides land and the Company undertakes to develop properties on such land and in lieu of land owner providing land, the Company has agreed to transfer certain percentage of constructed area or certain percentage of the revenue proceeds, the revenue from the development and transfer of constructed area/revenue sharing arrangement in exchange of such development right/sland is being accounted on gross basis on launch of the project. Revenue is recognised over time, on the basis of the inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation.

The revenue is measured at the fair value of the land received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the land received cannot be measured reliably, the revenue is measured at the fair value of the estimated construction service rendered to the land owner, adjusted by the amount of any cash or cash equivalents transferred. The fair value so estimated is considered as the cost of land in the computation of percentage of completion for the purpose of revenue recognition as mentioned above.

For contracts involving sale of real estate unit, the Company receives the consideration in accordance with the terms of the contract in proportion of the percentage of completion of such real estate project and represents payments made by customers to secure performance obligation of the Company under the contract enforceable by customers. Such consideration is received and utilised for specific real estate projects in accordance with the requirements of the Real Estate (Regulation and Development) Act, 2016. Consequently, the Company has concluded that such contracts with customers do not involve any financing element since the same arises for reasons explained above, which is other than for provision of finance to/from the customer.

#### ***ii) Recognition of revenue from contractual projects***

Revenue from contractual project is recognised over time, with reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs.

The Company recognises revenue only when it can reasonably measure its progress in satisfying the performance obligation. Until such time, the Company recognises revenue to the extent of cost incurred, provided the Company expects to recover the costs incurred towards satisfying the performance obligation.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately when such probability is determined.

#### ***iii) Recognition of revenue from sale of land and development rights***

Revenue from sale of land and development rights is recognised upon transfer of all significant risks and rewards of ownership of such real estate/property, as per the terms of the contracts entered into with buyers, which generally coincides with the forming of the sales contracts/agreements and/or registration of such agreements where applicable. Revenue from sale of land and development rights is only recognised when transfer of legal title to the buyer is not a condition precedent for transfer of significant risks and rewards of ownership to the buyer.

#### ***iv) Recognition of revenue from glazing works***

Revenue from glazing projects is recognised over time, with reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of the budgeted cost associated to the units produced/installed for work performed to date relative to the total contractual obligation of production/installation of such units.

The Company recognises revenue only when it can reasonably measure its progress in satisfying the performance obligation. Until such time, the Company recognises revenue to the extent of work certified by the customer which the Company expects to recover towards satisfying the performance obligation.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately when such probability is determined.

## **SOBHA LIMITED**

### **NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

#### ***v) Recognition of revenue from interior works and sale of concrete products and scrap***

Revenue is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. Revenue excludes indirect taxes and is after deduction of any trade discounts.

#### ***vi) Recognition of revenue from maintenance and other services***

Revenue in respect of maintenance services and other services is recognised on an accrual basis, in accordance with the terms of the respective contract as and when the Company satisfies performance obligations by delivering the services as per contractual agreed terms.

#### ***vii) Other operating income***

Interest on delayed receipts, cancellation/forfeiture income, transfer fees, marketing fee from customers are recognised based upon underlying agreements with customers and when reasonable certainty of collection is established.

#### ***viii) Contract balances***

##### **a) Contract Asset**

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

##### **b) Contract Liability**

Contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

#### ***ix) Cost to obtain a contract***

The Company recognises as an asset the incremental costs of obtaining a contract with a customer if the Company expects to recover those costs. The Company incurs costs such as sales commission when it enters into a new contract, which are directly related to winning the contract. The asset recognised is amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

## **II. Rental income from operating leases**

Rental income receivable under operating leases (excluding variable rental income) is recognized in the statement of profit and loss on a straight-line basis over the term of the lease including lease income on fair value of refundable security deposits. Rental income under operating leases having variable rental income is recognized as per the terms of the contract.

## **III. Share in profit/loss of Limited liability partnership (LLPs) and partnership firms**

The Company's share in profits/losses from LLPs and partnership firm, where the Company is a partner, is recognised as income/loss in the statement of profit and loss as and when the right to receive its profit/loss share is established by the Company in accordance with the terms of contract between the Company and the partnership entity. Share in profit/loss is recorded under Partners Current Account.

## **IV. Interest income**

Interest income, including income arising from other financial instruments, is recognised using the effective interest rate method.

## **SOBHA LIMITED**

### **NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

#### **b) Borrowing cost**

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

The Company treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

#### **c) Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost is determined based on a weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

#### **I. Related to real estate and contractual activity**

Direct expenditure relating to real estate activity is inventorised. Other expenditure (including borrowing costs) during construction period is inventorised to the extent the expenditure is directly attributable cost of bringing the asset to its working condition for its intended use. Other expenditure (including borrowing costs) incurred during the construction period which is not directly attributable for bringing the asset to its working condition for its intended use is charged to the statement of profit and loss. Direct and other expenditure is determined based on specific identification to the real estate activity. Cost incurred items purchased specifically for projects are taken as consumed as and when incurred/received.

- |  |  |
|--|--|
| i) Work-in-progress (Real estate)                          | Represents cost incurred in respect of projects where the revenue is yet to be recognized and includes cost of land (including development rights and non-refundable deposits paid, if any under joint development arrangements ('JDA')), internal development costs, external development charges, construction costs, overheads, borrowing cost etc. Land/development rights received under JDA is measured at the fair value of the estimated construction service rendered to the land owner and the same is accounted on launch of the project. |
| ii) Stock of units/plots in completed real estate projects | Represents cost incurred in respect of completed real estate project net cost of revenue.  |
| iii) Building materials                                    | Cost comprises of purchase price and other costs incurred in bringing the inventories to their present location and condition.   |
|  | Building materials are valued at cost computed on weighted average basis.  |
| iv) Land stock   | Represents land other than area transferred to work-in-progress at the commencement of construction. Cost comprises of purchase price under agreement to purchase, stamp duty, registration charges, brokerage cost and other incidental expenses.   |

#### **II. Related to glazing, interiors and concrete products activity**

- |   |   |
|---|---|
| i) Raw material, components and stores  | Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.      |
|   | Raw material, components and stores are valued at cost computed on weighted average basis.  |
| ii) Work-in-progress and Finished goods | Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. |

The Company treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

## **SOBHA LIMITED**

### **NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

#### **d) Advance paid towards land procurement**

Advances paid by the Company to the seller/intermediary towards outright purchase of land is recognised as land advance under other assets during the course of obtaining clear and marketable title, free from all encumbrances and transfer of legal title to the Company, whereupon it is transferred to land stock under inventories. Management is of the view that these advances are given under normal trade practices and are neither in the nature of loans nor advance in the nature of loans. (refer note 13)

#### **e) Foreign currency transactions and balances**

##### **i) Initial recognition**

Foreign currency transactions are recorded in the functional currency, by applying the exchange rate between the functional currency and the foreign currency at the date of the transaction.

##### **ii) Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

##### **iii) Exchange differences**

The Company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as income or as expense in the period in which they arise.

#### **f) Property, plant and equipment**

##### **i) Recognition and initial measurement**

Property, plant and equipment at their initial recognition are stated at their cost of acquisition. Cost of an item of property, plant and equipment comprises its purchase price, borrowing costs (if capitalization criteria are met), import duties, non-refundable taxes and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. The Company identifies and determines cost of each component/part of the asset separately, if the component/part have a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour, borrowing costs (if capitalization criteria are met) and any other costs directly attributable to bringing the asset to working condition for its intended use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

##### **ii) Subsequent measurement**

Items of property, plant and equipment are measured at cost, less accumulated depreciation and any accumulated impairment losses, if any. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

## **SOBHA LIMITED**

### **NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

#### **iii) Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

#### **iv) De-recognition**

An item of Property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the Property, plant and equipment is de-recognized.

#### **g) Investment property**

##### **i) Recognition and initial measurement**

Investment property is property held either to earn rental income or for capital appreciation or for both. Upon initial recognition, an investment property is measured at cost, including related transaction costs. The cost comprises purchase price, cost of replacing parts, borrowing cost, if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

The cost of a self-constructed item of Investment property comprises the cost of materials, direct labour, borrowing costs (if capitalization criteria are met) and any other costs directly attributable to bringing the asset to working condition for its intended use.

##### **ii) Subsequent measurement**

Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

##### **iii) Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

##### **iv) Derecognition**

Investment property is derecognised either when control of the same is transferred to the buyer or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

##### **v) Reclassification from/to investment property**

Transfers to (or from) investment property are made only when there is a change in use. Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

## SOBHA LIMITED

### NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

(All amounts in ₹ millions, unless otherwise stated)

#### vi) Fair value disclosure

Though the Company measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual valuation performed by an accredited external independent valuer.

#### h) Depreciation on property, plant and equipment and Investment property

Depreciation is calculated on written down value basis using the following useful lives prescribed under Schedule II of the Act, except where specified.

Particulars	Useful lives estimated by the management (in years)
<b>Property, plant and equipment</b>	
Factory buildings	30
Buildings - other than factory buildings	60
Buildings - temporary structure for precast plant	8
Buildings - temporary structure	3
Plant and machinery	
i. General plant and machinery	15
ii. Plant and machinery - Civil construction	12
iii. Plant and machinery - Electrical installations	10
iv. Plant and machinery - Precast plant	8
v. Plant and machinery - Others	3-5
Furniture and fixtures	10
Motor vehicles - Two wheelers	10
Motor vehicles - Four wheelers	8
Computers	
i. Computer equipment	3
ii. Servers and network equipment	6
Office equipment	5
<b>Investment property</b>	
Buildings - other than factory buildings	60
Buildings - One Sobha	46-48
Plant and machinery	
i. General plant and machinery	15
ii. Plant and machinery	12
Office equipments	5
Furniture and fixtures	10

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of building and plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

## **SOBHA LIMITED**

### **NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

Steel scaffolding items are depreciated using straight line method over a period of 6 years, which is estimated to be the useful life of the asset by the management based on planned usage and technical advice thereon. These lives are higher than those indicated in Schedule II.

Leasehold land is amortized on a straight-line basis over the balance period of lease.

Freehold land is not depreciated and is stated at cost less impairment loss, if any.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### **i) Capital work-in-progress and intangible assets under development**

Capital work-in-progress and intangible assets under development represents expenditure incurred in respect of capital projects/intangible assets under development which are not yet ready for their intended use and are carried at cost less accumulated impairment loss, if any.

Depreciation/amortisation is not provided on capital work-in-progress and intangible assets under development until construction/installation are complete and the asset is ready for its intended use.

#### **j) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets, comprising of software and intellectual property rights are amortized on a straight line basis over a period of 3 years, which is estimated to be the useful life of the asset and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit or Loss when the asset is derecognised.

#### **k) Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### **I. Company as a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### **i) Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, if any and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in note 2.2(p)(ii) on impairment of non-financial assets.

## **SOBHA LIMITED**

### **NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

#### ***ii) Lease liabilities***

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### ***iii) Short-term leases and leases of low-value assets***

The Company applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered to be low value. Lease payments on short term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

## **II. Company as a lessor**

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Assets subject to operating leases are included under Investment property.

The Company assesses whether it transfers substantially all the risks and rewards of ownership. Those assets that do not transfer substantially all the risks and rewards are classified as operating leases. The Company has currently not entered into any lease that is classified as finance lease.

Rental income is accounted for on a straight-line basis over the lease term and is included in other income due to its nature.

### ***I) Retirement and other employee benefits***

#### ***i) Employee Provident Fund and Employee State Insurance***

Retirement benefits in the form of state governed Employee Provident Fund and Employee State Insurance are defined contribution schemes (collectively the 'Schemes'). The Company has no obligation, other than the contribution payable to the Schemes. The Company recognizes contribution payable to the Schemes as expenditure, when an employee renders the related service. The contribution paid in excess of amount due is recognized as an asset and the contribution due in excess of amount paid is recognized as a liability.

#### ***ii) Gratuity***

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit/obligation at the balance sheet date, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated at or near the balance sheet date by an independent actuary using the projected unit credit method. This is based on standard rates of inflation, salary growth rate and mortality. Discount factors are determined close to each year-end by reference to market yields on government bonds that have terms to maturity approximating the terms of the related liability. Service cost and net interest expense on the Company's defined benefit plan is included in statement of profit and loss. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income in the period in which they occur and are not reclassified to profit or loss in subsequent periods.

## **SOBHA LIMITED**

### **NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

The Company makes contributions to Sobha Developers Employees Gratuity Trust ('the trust') to discharge the gratuity liability to employees. Provision towards gratuity, a defined benefit plan, is made for the difference between actuarial valuation by an independent actuary and the fund balance, as at the year-end.

#### **iii) Compensated absences**

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

#### **iv) Other short-term benefits**

Short-term employee benefits comprising employee costs including performance bonus is recognized in the statement of profit and loss on the basis of the amount paid or payable for the period during which services are rendered by the employee.

#### **m) Provisions, contingent assets and contingent liabilities**

##### **i) Provisions**

Provisions are recognized only when there is a present obligation (legal or constructive), as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of obligation can be made at the reporting date. Provisions are discounted to their present values, where the time value of money is material, using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

##### **ii) Onerous contracts**

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e. the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

##### **iii) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses it in the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

##### **iv) Contingent assets**

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

## **SOBHA LIMITED**

### **NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

#### **n) Income taxes**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

##### **i) Current income tax**

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for that period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

##### **ii) Deferred income tax**

Deferred income tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

#### **o) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### **i) Initial recognition and measurement of financial assets and liabilities**

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value, however, trade receivables and trade payables that do not contain a significant financing component are measured at transaction value and investments in subsidiaries are measured at cost in accordance with Ind AS 27 - Separate financial statements. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

## **SOBHA LIMITED**

### **NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

#### **ii) Financial assets at amortized cost**

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### **iii) Financial assets at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### **iv) Financial assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in statement of profit and loss.

#### **v) Debt instruments at amortized cost**

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

#### **vi) Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments. Gains or losses on liabilities held for trading are recognized in the profit or loss.

#### **vii) Financial liabilities at amortized cost**

Financial liabilities are subsequently carried at amortized cost using the effective interest rate ('EIR') method.

Interest-bearing loans and borrowings are subsequently measured at amortized cost using EIR method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### **viii) De-recognition of financial instruments**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

#### **ix) Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial instruments.

## **SOBHA LIMITED**

### **NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

#### **x) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

#### **xi) Fair value of financial instruments**

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

##### ***Fair value hierarchy:***

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

#### **xii) Investment in equity instruments of subsidiaries (including partnership firms), joint ventures and associates**

Investment in equity instruments of subsidiaries, joint ventures and associates are stated at cost as per Ind AS 27 'Separate Financial Statements'. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is assessed for recoverability and in case of permanent diminution, provision for impairment is recorded in statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

#### **p) Impairment**

##### **i) Financial assets**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets (except financial assets valued through fair value through profit or loss) is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

The presumption under Ind AS 109 with reference to significant increases in credit risk since initial recognition (when financial assets are more than 30 days past due), has been rebutted and is not applicable to the Company, as the Company is able to collect a significant portion of its receivables that exceed the due date.

## **SOBHA LIMITED**

### **NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

#### **ii) Non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

iii) Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### **q) Segment reporting**

##### **i) Identification of segments**

In accordance with Ind AS 108 – Operating Segment, the operating segments used to present segment information are identified on the basis of information reviewed by the Company's management to allocate resources to the segments and assess their performance. An operating segment is a component of the Company that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Company's other components. Results of the operating segments are reviewed regularly by the Managing Director who has been identified as the chief operating decision maker (CODM), to make decisions about resources to be allocated to the segment and assess its performance.

##### **ii) Inter-segment transfers**

The Company generally accounts for intersegment sales and transfers at appropriate margins.

##### **iii) Unallocated items**

Unallocated items include general corporate asset, liability, income and expense items which are not allocated to any business segment.

##### **iv) Segment accounting policies**

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the standalone financial statements of the Company as a whole.

## **SOBHA LIMITED**

### **NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

#### **r) Cash dividend to equity holders of the Company**

The Company recognizes a liability to make cash distributions to equity holders of the Company when the distribution is authorized and the distribution is no longer at the discretion of the Company. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

#### **s) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

#### **t) Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

### **2.3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

Significant accounting judgements, estimates and assumptions used by management are as below:

Determination of performance obligations and timing of revenue recognition on revenue from real estate development [Refer Note 2.2(a)(l)(i)].

Accounting for revenue and land cost for projects executed through joint development arrangement [Refer Note 2.2(a)(l)(i)].

Computation of percentage completion for projects in progress, project cost, revenue and saleable area estimates [Refer Note 2.2(a)(l)(ii)].

Estimation of net realizable value for inventory [Refer Note 2.2(c)], land advance and refundable deposits paid under JDA [Refer Note 2.2 (d)].

Provision for litigations and contingencies [Refer Note 2.2(m)].

Useful life and residual value of property, plant and equipment, investment property and intangible assets [Refer Note 2.2(h)].

Evaluation of indicators and impairment of financial and non-financial assets [Refer Note 2.2(p)].

Classification of property as investment property or inventory [Refer Note 2.2(c) and (g)].

Fair value measurement disclosures [Refer Note 2.2(o)].

Provision for tax [Refer Note 2.2(n)].

## **SOBHA LIMITED**

### **NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

#### **3 RECENT ACCOUNTING PRONOUNCEMENTS**

The Ministry of Corporate Affairs vide notification dated 9 September 2024 and 28 September 2024 notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024 and Companies (Indian Accounting Standards) Third Amendment Rules, 2024, respectively, which amended/ notified certain accounting standards (see below), and are effective for annual reporting periods beginning on or after 1 April 2024:

- Insurance contracts - Ind AS 117; and
- Lease Liability in Sale and Leaseback – Amendments to Ind AS 116

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

**SOBHA LIMITED**  
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**4 PROPERTY, PLANT AND EQUIPMENT**

Particulars	Freehold land	Factory buildings	Other buildings	Plant and machinery	Scaffolding items	Furniture and fixtures	Vehicles	Computers	Office equipment	Total
<b>Cost</b>										
<b>As at 1 April 2023</b>	67.08	652.57	1,123.95	1,997.33	2,352.46	52.00	16.21	227.85	40.62	6,530.07
Additions during the year	7.39	71.78	83.52	88.35	814.38	17.16	6.37	49.37	6.10	1,144.42
Disposal during the year	-	-	-	(12.92)	(0.39)	(0.05)	-	(0.08)	(0.07)	(13.51)
<b>As at 31 March 2024</b>	74.47	724.35	1,207.47	2,072.76	3,166.45	69.11	22.58	277.14	46.65	7,660.98
Additions during the year	-	31.70	-	248.95	782.96	5.80	11.30	110.31	5.49	1,196.51
Disposal during the year(*)	-	-	-	(22.18)	(0.57)	-	-	(0.19)	(0.00)	(22.94)
<b>As at 31 March 2025</b>	74.47	756.05	1,207.47	2,299.53	3,948.84	74.91	33.88	387.26	52.14	8,834.55
<b>Accumulated depreciation and impairment loss</b>										
<b>As at 1 April 2023</b>	2.85	529.13	491.64	1,427.05	1,502.32	38.90	9.76	180.80	32.03	4,214.48
Charge for the year	-	50.32	58.20	132.84	295.22	5.22	2.17	37.94	4.56	586.47
Impairment loss	-	1.35	3.36	15.76	-	1.36	1.39	5.18	1.07	29.47
Disposal during the year	-	-	-	(7.40)	(0.39)	(0.04)	-	(0.08)	(0.07)	(7.98)
<b>As at 31 March 2024</b>	2.85	580.80	553.20	1,568.25	1,797.15	45.44	13.32	223.84	37.59	4,822.44
Charge for the year	-	17.26	66.44	113.95	401.41	6.16	4.90	61.09	5.09	676.30
Impairment loss	-	-	0.27	3.36	-	0.07	0.07	0.52	0.02	4.31
Disposal during the year*	-	-	-	(12.06)	(0.57)	-	-	(0.19)	(0.00)	(12.82)
<b>As at 31 March 2025</b>	2.85	598.06	619.91	1,673.51	2,197.99	51.67	18.29	285.26	42.69	5,490.22
<b>Carrying amount</b>										
<b>As at 31 March 2025</b>	71.62	157.99	584.71	628.87	1,750.85	23.24	15.59	102.00	9.45	3,344.33
<b>As at 31 March 2024</b>	71.62	143.55	654.27	504.51	1,369.30	23.67	9.26	53.30	9.06	2,838.54

**Note:**

**a) Contractual obligations**

The contractual commitments pending for the acquisition of property, plant and equipment as at 31 March 2025 is ₹ 187.66 (31 March 2024: ₹ 493.42).

**b) Property, plant and equipment pledged as security**

Refer Note.43 for details of Property, plant and equipment pledged as security for borrowings.

**c)** The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee), are held in the name of the Company.

**d)** The Company has not revalued its property, plant and equipment during the current or previous year.

(\*)Certain amounts that are required to be presented and do not appear due to rounding off are expressed as "0.00".

**SOBHA LIMITED****NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**5 INVESTMENT PROPERTY**

Particulars	Right of use - Land	Buildings	Other assets forming part of building			Total
			Plant and machinery	Furniture and fixtures	Office equipment	
<b>Cost</b>						
<b>As at 1 April 2023</b>	<b>142.84</b>	<b>2,710.13</b>	<b>145.16</b>	<b>0.73</b>	<b>4.04</b>	<b>3,002.90</b>
Additions during the year	-	50.84	-	-	1.38	52.22
Disposal during the year	-	-	(0.11)	-	-	(0.11)
<b>As at 31 March 2024</b>	<b>142.84</b>	<b>2,760.97</b>	<b>145.05</b>	<b>0.73</b>	<b>5.42</b>	<b>3,055.01</b>
Additions during the year	-	8.40	-	-	0.03	8.43
Disposal during the year	-	-	-	-	-	-
<b>As at 31 March 2025</b>	<b>142.84</b>	<b>2,769.37</b>	<b>145.05</b>	<b>0.73</b>	<b>5.45</b>	<b>3,063.44</b>
<b>Accumulated depreciation and amortisation</b>						
<b>As at 1 April 2023</b>	<b>6.02</b>	<b>160.38</b>	<b>67.17</b>	<b>0.56</b>	<b>0.85</b>	<b>234.98</b>
Charge for the year	3.02	75.97	14.02	0.03	1.88	94.92
Disposal during the year	-	-	(0.09)	-	-	(0.09)
<b>As at 31 March 2024</b>	<b>9.04</b>	<b>236.35</b>	<b>81.10</b>	<b>0.59</b>	<b>2.73</b>	<b>329.81</b>
Charge for the year	3.01	76.21	11.58	0.03	1.11	91.93
Disposal during the year	-	-	-	-	-	-
<b>As at 31 March 2025</b>	<b>12.05</b>	<b>312.56</b>	<b>92.68</b>	<b>0.62</b>	<b>3.84</b>	<b>421.75</b>
<b>Carrying amount</b>						
<b>As at 31 March 2025</b>	<b>130.79</b>	<b>2,456.81</b>	<b>52.37</b>	<b>0.11</b>	<b>1.61</b>	<b>2,641.70</b>
<b>As at 31 March 2024</b>	<b>133.80</b>	<b>2,524.62</b>	<b>63.95</b>	<b>0.14</b>	<b>2.69</b>	<b>2,725.20</b>

a. One investment property is constructed/developed on a leasehold land where the company is the lessee and the lease agreement is duly executed in favour of the lessee. As the Right-of-use assets meet the definition of investment property, and hence presented within 'investment property'.

b. Investment property comprises of commercial property and club houses that involve lease arrangements. Each of the leases contains an initial non-cancellable period of 2-3 years. The Company has no restrictions on the realisability of its investment property.

**c. Fair value of investment property**

The fair value of Investment property is ₹ 6,767.30 (31 March 2024: ₹ 6,000.60). The valuations is based on valuation performed by an accredited independent valuer and is a registered valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The fair value of the Company's investment properties have been arrived at using discounted cash flow method, direct comparison approach, and depreciated replacement cost method. Under discounted cash flow method, cash flow projections based on reliable estimates of cash flow are discounted. The main inputs used are rental growth rate, expected vacancy rates, discount rates, and transacted values of similar properties which are based on comparable transactions and industry data. The fair value measurement of the investment property has been categorised as a Level 3 fair value (discounted cash flow method) and level 2 fair value (direct comparison and depreciated replacement cost method) based on the inputs to the valuation technique used (refer note 40b).

**d. Investment property pledged as security**

Refer note 43 for details of investment property pledged as security for borrowings.

**SOBHA LIMITED****NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**5 INVESTMENT PROPERTY (Cont'd)****e. Amounts recognised in profit or loss**

Particulars	31 March 2025	31 March 2024
<b>Rental income derived from investment properties (refer note 25B)</b>	<b>427.57</b>	<b>374.80</b>
Direct operating expenses (including repairs and maintenance) that generated rental income	(32.70)	(23.94)
Direct operating expenses (including repairs and maintenance) that did not generate rental income	(24.20)	(16.58)
<b>Profit arising from investment properties before depreciation and indirect expenses</b>	<b>370.67</b>	<b>334.28</b>
<b>Less: Depreciation</b>	<b>(91.93)</b>	<b>(94.92)</b>
<b>Profit arising from investment properties before indirect expenses</b>	<b>278.74</b>	<b>239.36</b>

**5 (a) Investment property under development**

Particulars	Total
<b>As at 1 April 2023</b>	-
Additions during the year	-
Disposal during the year	-
Capitalised during the year	-
<b>As at 31 March 2024</b>	-
Additions during the year	170.50
Disposal during the year	-
Capitalised during the year	-
<b>As at 31 March 2025</b>	<b>170.50</b>

**Note:****(a) Ageing of investment property under development**

As at 31 March 2025

Particulars	Amount of Investment property under development for the period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Projects in progress	170.50	-	-	-	170.50
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>170.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>170.50</b>

As at 31 March 2024

Particulars	Amount of Investment property under development for the period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## **SOBHA LIMITED**

### **NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

#### **(b) Contractual obligations**

Refer note 39(B)(c) for details of contractual obligations to construct or develop investment property under development.

#### **(c) Investment property under development whose completion is overdue or has exceeded its cost compared to its original plan**

There are no projects in progress under 'Investment property under development' whose completion is overdue or has exceeded its cost compared to its original plan.

#### **(d) Fair value**

As the properties are under development, the Company has determined that the fair value of the properties is not reliably measurable and expects that the fair value of the properties to be reliably when construction is complete. Hence, the carrying amount is best approximation of fair value of the properties.

#### **(e) Borrowing cost capitalised**

No borrowing cost capitalised to investment property under development.

#### **(f) Investment property under development pledged as security**

There is no pledge on Investment property under development.

#### **(g) Title deeds of immovable property not held in the name of the Company**

The title deeds (registered sale deed/transfer deed/registered joint development agreements) of all the immovable properties (including investment properties) held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Company.

## **6 INTANGIBLE ASSET UNDER DEVELOPMENT**

<b>Particulars</b>	<b>Software</b>	<b>Amount</b>
<b>As at 1 April 2023</b>	<b>17.62</b>	<b>17.62</b>
Capitalised during the year	36.74	36.74
<b>As at 31 March 2024</b>	<b>54.36</b>	<b>54.36</b>
Capitalised during the year	(53.16)	(53.16)
Charged off during the year	(1.20)	(1.20)
<b>As at 31 March 2025</b>	<b>-</b>	<b>-</b>

#### **Contractual obligations**

The contractual commitments pending for the acquisition of intangible asset under development as at 31 March 2025 is Nil (31 March 2024: ₹ 8.75).

#### **Ageing of intangible assets under development as at 31 March 2025**

<b>Particulars</b>	<b>Amount in intangible assets under development for a period of</b>				<b>Total</b>
	<b>Less than 1 year</b>	<b>1-2 Years</b>	<b>2-3 Years</b>	<b>More than 3 years</b>	
Projects in progress (*)	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**SOBHA LIMITED****NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**6 INTANGIBLE ASSET UNDER DEVELOPMENT (Cont'd)****Ageing of intangible assets under development as at 31 March 2024**

Particulars	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Projects in progress (*)	36.74	17.62	-	-	54.36
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>36.74</b>	<b>17.62</b>	<b>-</b>	<b>-</b>	<b>54.36</b>

(\*) There are no projects in progress under 'Intangible assets under development' whose completion is overdue or has exceeded its cost compared to its original plan.

**7 INTANGIBLE ASSETS**

Particulars	Software	Intellectual property rights	Total
<b>Cost</b>			
<b>As at 1 April 2023</b>	15.59	0.05	15.64
Additions during the year	-	-	-
<b>As at 31 March 2024</b>	15.59	0.05	15.64
Additions during the year	53.16	-	53.16
Deletion/adjustment during the year	-	(0.05)	(0.05)
<b>As at 31 March 2025</b>	<b>68.75</b>	<b>-</b>	<b>68.75</b>
<b>Amortisation</b>			
<b>As at 1 April 2023</b>	15.53	0.05	15.58
Charge for the year	0.06	-	0.06
<b>As at 31 March 2024</b>	15.59	0.05	15.64
Charge for the year	11.63	-	11.63
Deletions during the year	-	(0.05)	(0.05)
<b>As at 31 March 2025</b>	<b>27.22</b>	<b>-</b>	<b>27.22</b>
<b>Carrying amount</b>			
<b>As at 31 March 2025</b>	<b>41.53</b>	<b>-</b>	<b>41.53</b>
<b>As at 31 March 2024</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note:** The Company has not revalued its intangible assets during the current or previous year.

**8 INVESTMENTS (NON-CURRENT)**

Particulars	Note	As at 31 March 2025	As at 31 March 2024
Investment in equity instruments	A	1,385.37	1,385.37
Investment in preference shares	B	77.00	77.00
Investments in partnership firm	C	1,869.61	2,063.36
Investments in Limited Liability Partnership (LLP) firm	D	1,146.20	1,149.33
		<b>4,478.18</b>	<b>4,675.06</b>

**SOBHA LIMITED**
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**8 INVESTMENTS (NON-CURRENT) (Cont'd)**

Particulars	No. of shares				Amount	
	31 March 2025	% of holding	31 March 2024	% of holding	As at 31 March 2025	As at 31 March 2024
<b>Investments carried at cost</b>						
<b>Trade investments (valued at cost unless stated otherwise)</b>						
<b>A Investment in equity instruments (Unquoted)</b>						
<b>Investment in subsidiaries</b>						
(i) Sobha Highrise Ventures Private Limited (#)						
Class A equity shares of ₹ 10 each (in ₹) fully paid-up	199,999	100%	199,999	100%	2.00	2.00
Class C equity shares of ₹ 33.90 each (in ₹) fully paid-up	10,200,000	100%	10,200,000	100%	345.78	345.78
Class D equity shares of ₹ 10 each (in ₹) fully paid-up	2,500,000	100%	2,500,000	100%	25.00	25.00
(ii) Sobha Developers (Pune) Limited (*)	526,320	100%	526,320	100%	986.41	986.41
(iii) Sobha Nandambakkam Developers Limited (^)	50,000	100%	50,000	100%	13.74	13.74
(iv) Sobha Tambaram Developers Limited (^)	50,002	100%	50,002	100%	2.24	2.24
(v) Sobha Assets Private Limited (^)	10,000	100%	10,000	100%	0.10	0.10
(vi) Sobha Construction Products Private Limited (^)	1,000,000	100%	1,000,000	100%	10.00	10.00
(vii) C.V.S.Tech Park Private Limited (from 14 February 2024)	10,000	100%	10,000	100%	0.10	0.10
					<b>1,385.37</b>	<b>1,385.37</b>
<b>Investment in associate</b>						
(i) C.V.S.Tech Park Private Limited (till 14 February 2024)	NA	NA	4,900	49%	-	-
<b>B Investment in preference shares (Unquoted) (refer note '(i)' below)</b>						
<b>Investment in subsidiary</b>						
Sobha Highrise Ventures Private Limited (#)	7,700,000	100%	7,700,000	100%	77.00	77.00
<b>C Investments in partnership firm (refer note '(ii)' below)</b>						
<b>In Subsidiary</b>						
99% (31 March 2024 - 99%) share in the profits of partnership firm: Sobha City (Refer note 1 below)						
- Capital account					399.99	399.99
- Current account					1,341.62	1,535.37
- Additional consideration paid for acquisition of capital					128.00	128.00
					<b>1,869.61</b>	<b>2,063.36</b>

**SOBHA LIMITED****NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**8 INVESTMENTS (NON-CURRENT) (Cont'd)**

Particulars	No. of shares				Amount	
	31 March 2025	% of holding	31 March 2024	% of holding	As at 31 March 2025	As at 31 March 2024
<b>D Investments in Limited Liability Partnership (LLP) firm</b>						
<b>In Joint Venture</b>						
50% (31 March 2024 - 50%) share in the profits of partnership firm:						
Kondhwa Projects LLP						
- Capital account					0.05	0.05
- Current account					1,146.15	1,149.28
					<b>1,146.20</b>	<b>1,149.33</b>
<b>Total investments</b>					<b>4,478.18</b>	<b>4,675.06</b>
<b>Aggregate amount of quoted investments and market value thereof</b>					-	-
<b>Aggregate amount of unquoted investments</b>					<b>4,478.18</b>	<b>4,675.06</b>
<b>Aggregate amount of impairment in value of investments</b>					-	-

(<sup>^</sup>) Represents equity shares of ₹ 10/- each (in ₹) and fully paid up

(<sup>\*</sup>) Represents equity shares of ₹ 1/- each (in ₹) and fully paid up

(<sup>†</sup>) Represents multiple class of equity shares (Class A, Class C and Class D) of face value ₹ 10/- each (in ₹) and fully paid up and compulsorily convertible preference shares of ₹ 10/- each (in ₹) and fully paid up.

The principle place of business of all the investments of the Company is India.

**Note:**

(i) The Company has subscribed to 0.001% unsecured, non-cumulative, Compulsorily Convertible Preference shares (CCPSs) of ₹ 10/- each (in ₹). At the option of holder, these CCPSs are convertible into fixed number of equity shares in one or more tranches within a period of 19 years from the date of allotment.

(ii) **The particulars of partners of the partnership firm, their capital contribution and profit sharing ratio is as under:**

Name of partners	As at 31 March 2025		As at 31 March 2024	
	Share of profit (%)	Capital	Share of profit (%)	Share of profit (%)
<b>Investment in Sobha City</b>				
Sobha Limited	99%	399.99	99%	99%
Sobha Developers (Pune) Limited	1%	0.01	1%	1%
	<b>100%</b>	<b>400.00</b>	<b>100%</b>	<b>100%</b>

(iii) The Company has complied with number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

## SOBHA LIMITED

### NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

(All amounts in ₹ millions, unless otherwise stated)

#### 9 INVENTORIES

(Valued at cost or net realisable value, whichever is lower)

Particulars	As at	As at
	31 March 2025	31 March 2024
Raw materials, components and stores	835.54	600.70
Building materials	1,508.75	1,525.16
Land stock (*)	5,692.16	4,436.99
Right of use asset - Land (#)	2,171.19	-
Work-in-progress		
- Real estate projects (*)	86,362.51	75,333.59
- Others	514.24	624.45
Stock of units in completed real estate projects (*)	8,176.04	5,911.19
Finished goods	68.59	53.02
	<b>105,329.02</b>	<b>88,485.10</b>

(\*) Refer note 43 for details of inventories pledged as security for borrowings.

(#) The Company has entered into lease agreements for the acquisition of land for construction purposes for a substantial period of time. In accordance with Paragraph 25 of Ind AS 116 – Leases, the Company, being the lessee, has recognised the costs referred to in Paragraph 24(d) of Ind AS 116 as part of the cost of the right-of-use (ROU) asset.

Considering the nature of its business, the Company has applied the principles of Ind AS 2 – Inventories, whereby the costs incurred during a particular period, as a consequence of using the ROU asset to produce inventories, have been classified as inventories.

The obligations related to such costs, recognised under Ind AS 116 and Ind AS 2, are measured and accounted for in accordance with Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets.

**Note:** The write-down (net) of inventories to net realisable value for the year ended 31 March 2025 is ₹ 57.58 (31 March 2024: ₹ 54.82). This was recorded as an expense during the respective years and included in 'changes in inventories' in standalone statement of profit and loss.

#### 10 TRADE RECEIVABLES

Particulars	Non-current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Trade receivables considered good - unsecured	540.53	393.45	2,499.15	2,522.90
Trade receivables - credit impaired	-	-	-	29.12
	<b>540.53</b>	<b>393.45</b>	<b>2,499.15</b>	<b>2,552.02</b>
<b>Less:</b> Impairment allowance (allowance for credit loss) (refer note 41B)				
Trade receivables considered good - unsecured	-	-	(233.26)	(546.96)
Trade receivables - credit impaired	-	-	-	(29.12)
<b>Net trade receivables</b>	<b>540.53</b>	<b>393.45</b>	<b>2,265.89</b>	<b>1,975.94</b>

**SOBHA LIMITED**
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**10 TRADE RECEIVABLES (Cont'd)**

Particulars	Non-current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024

**Note:**

a.	Trade receivables due by firms or private companies in which the director of the Company is a partner or a director or a member (refer note 35)			191.39	192.17
b.	Trade receivables from other related parties (refer note 35)			587.33	401.40
c.	Refer Note 43 for details of Trade receivables pledged as security for borrowings				

**d. Trade receivable ageing schedule**

As at 31 March 2025	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
<b>A. Non-current</b>							
Undisputed Trade receivables - considered good	540.53	-	-	-	-	-	540.53
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
<b>Total of Non-current</b>	<b>540.53</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>540.53</b>
<b>B. Current</b>							
Undisputed Trade receivables - considered good	118.65	1,407.64	598.94	53.11	82.90	237.91	2,499.15
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-

**SOBHA LIMITED****NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**10 TRADE RECEIVABLES (Cont'd)****d. Trade receivable ageing schedule (Cont'd)**

As at 31 March 2025	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
<b>Total of Current</b>	<b>118.65</b>	<b>1,407.64</b>	<b>598.94</b>	<b>53.11</b>	<b>82.90</b>	<b>237.91</b>	<b>2,499.15</b>

As at 31 March 2024	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
<b>A. Non-current</b>							
Undisputed Trade receivables - considered good	373.74	2.99	4.20	1.79	0.57	10.16	393.45
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
<b>Total of Non-current</b>	<b>373.74</b>	<b>2.99</b>	<b>4.20</b>	<b>1.79</b>	<b>0.57</b>	<b>10.16</b>	<b>393.45</b>
<b>B. Current</b>							
Undisputed Trade receivables - considered good	235.84	990.59	254.03	318.76	263.15	460.53	2,522.90
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	-	-	-	-	29.12	29.12
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
<b>Total of Current</b>	<b>235.84</b>	<b>990.59</b>	<b>254.03</b>	<b>318.76</b>	<b>263.15</b>	<b>489.65</b>	<b>2,552.02</b>

e. Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

f. There are no debt due by Directors or other officers of the company or any of them either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member shall be separately stated.

**SOBHA LIMITED****NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**11 LOANS**

Particulars	Non-current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
<b>Loans to related parties (refer note 35)</b>				
Loans receivables considered good – unsecured	230.02	230.02	2,176.22	983.66
Loans receivables – credit impaired	8.34	8.34	-	-
	<b>238.36</b>	<b>238.36</b>	<b>2,176.22</b>	<b>983.66</b>
<b>Less:</b> Allowances for credit loss				
Loans receivables – credit impaired	(8.34)	(8.34)	-	-
<b>Closing balance</b>	<b>230.02</b>	<b>230.02</b>	<b>2,176.22</b>	<b>983.66</b>

**Note:**

Loans and advances to Directors/KMP/Related Parties repayable on demand.

Particulars	As at 31 March 2025		As at 31 March 2024	
	Amount outstanding	Percentage of Total	Amount outstanding	Percentage of Total
Related parties	2,414.58	100%	1,222.02	100%
	<b>2,414.58</b>	<b>100%</b>	<b>1,222.02</b>	<b>100%</b>

**Note:** There are no loan due by Directors or other officers of the company or any of them either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member shall be separately stated.

**12 OTHER FINANCIAL ASSETS (NON-CURRENT)**

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Unsecured, considered good</b>		
Refundable deposits towards joint development agreement (refer note 35)	205.00	180.00
Security deposits	235.98	42.52
Earnest money deposits	-	466.74
Other receivables	130.00	-
<b>Fixed deposits with maturity for more than 12 months (^)</b>		
- Pledged/under lien/earmarked/margin money	33.98	207.37
	<b>604.96</b>	<b>896.63</b>

**Note:** Refer note 43 for details of deposits pledged as security for borrowings.

(^\*) Includes interest accrued but not due.

**SOBHA LIMITED****NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**13 OTHER ASSETS**

Particulars	Non-current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
<b>Unsecured, considered good</b>				
Land advances (*)	8,439.68	9,117.90	-	-
Advances recoverable in kind	-	-	490.48	749.32
Prepaid expenses	-	-	1,890.72	1,629.35
Balances with Statutory/government authorities	-	-	1,148.68	749.68
Unbilled revenue (^)	-	-	1,320.89	1,686.48
Advances for joint development arrangements (#)	1,396.49	1,654.82	2,305.98	663.20
Capital advances	52.13	-	-	-
Other receivable	295.50	-	-	8.71
<b>Unsecured, considered doubtful</b>				
Land advances (**)	290.67	82.63	-	-
<b>Less:</b> Provision for doubtful advances	(290.67)	(82.63)	-	-
	<b>10,183.80</b>	<b>10,772.72</b>	<b>7,156.75</b>	<b>5,486.74</b>

(\*) Advances for land though unsecured, are considered good as the advances have been given based on arrangements/memorandum of understanding executed by the Company and the Company/seller/intermediary has either already obtained a clear and marketable title, or is in the process of obtaining the same.

(^) Classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

(#) Advances under Joint Development Arrangements (JDA) are paid predominantly under JDA agreement/MOU's where there are certain conditions precedent to execute and register a JDA agreement. On completion of such conditions precedent and registration of JDA, such advances are usually reclassified to refundable deposit based on the terms of the registered JDA.

(\*\*) Land advances written off for the year ended 31 March 2025 is ₹ 125.34 (31 March 2024 is ₹ 218.37) and provision for doubtful debts on land advances as at 31 March 2025 is ₹ 290.67 (31 March 2024 is ₹ 82.63).

**Note:**

Particulars	Non-current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
a. Advances recoverable in kind from firms or private companies in which the director of the Company is a partner or a director or a member	-	-	12.74	11.06
b. Includes from related parties				
Land advances (refer note 35)	7,629.77	7,962.80	-	-
Advances recoverable in kind (refer note 35)	-	-	264.45	266.13
Unbilled revenue (refer note 35)	-	-	41.80	41.80

**SOBHA LIMITED****NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**14 CASH AND CASH EQUIVALENTS**

<b>Particulars</b>	<b>As at 31 March 2025</b>	<b>As at 31 March 2024</b>
Balances with banks in current accounts (*)	1,120.61	992.49
Cash on hand	2.87	3.90
Cheques/drafts on hand	-	49.91
	<b>1,123.48</b>	<b>1,046.30</b>

(\*)Includes amount held in escrow account for projects under Real Estate Regulation and Development Act, 2016, to be utilised for project specific purposes.

**Note:**

- (i) Changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes:

<b>Liabilities</b>	<b>Non-cash changes</b>					<b>As at 31 March 2025</b>
	<b>As at 1 April 2024</b>	<b>Cash flow</b>	<b>Amortization of transaction cost</b>	<b>Accrued Interest</b>	<b>Initial recognition of Lease Liability</b>	
Borrowings from bank and other parties	18,586.60	(7,725.23)	-	-	-	10,861.37
Interest on Borrowings	16.23	(1,630.24)	-	1,641.35	-	27.34
Unclaimed dividend	2.00	(0.07)	-	-	-	1.93
Dividend	-	(302.55)	-	-	-	-
Lease liabilities	262.24	(82.50)	-	25.54	320.58	525.86
Share capital (including securities premium)	10,277.38	19,842.22	-	-	-	30,119.60

<b>Liabilities</b>	<b>Non-cash changes</b>					<b>As at 31 March 2024</b>
	<b>As at 1 April 2023</b>	<b>Cash flow</b>	<b>Amortization of transaction cost</b>	<b>Accrued Interest</b>	<b>Initial recognition of Lease Liability</b>	
Borrowings from bank and other parties	19,394.36	(807.76)	-	-	-	18,586.60
Interest on Borrowings	28.15	(2,066.72)	-	2,054.80	-	16.23
Unclaimed dividend	2.00	-	-	-	-	2.00
Dividend	-	(284.54)	-	-	-	-
Lease liabilities	232.81	(74.01)	-	25.12	78.32	262.24
Share capital (including securities premium)	10,277.38	-	-	-	-	10,277.38

**SOBHA LIMITED****NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**15 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS**

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Earmarked bank balances</b>		
- On unclaimed dividend account	1.93	2.00
<b>Fixed deposits with banks with maturity less than 12 months (*)^(^)(^^)</b>		
- Pledged/under lien/earmarked/margin money	15,868.11	5,499.73
	<b>15,870.04</b>	<b>5,501.73</b>

(\*)Includes amount held in escrow account for projects under Real Estate Regulation and Development Act, 2016, to be utilised for project specific purposes.

(^)Refer Note 43 for details of deposits pledged as security for borrowings.

(^^)Includes interest accrued but not due.

**16 OTHER FINANCIAL ASSETS (CURRENT)**

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Unsecured, considered good</b>		
Refundable deposits towards joint development agreement (refer note 35)	6,033.59	3,067.95
Security deposits	47.79	129.03
External/Internal development charges (EDC/IDC)	79.45	144.36
Settlement share recoverable	199.35	599.87
Other receivables	154.17	234.17
	<b>6,514.35</b>	<b>4,175.38</b>

**17 EQUITY SHARE CAPITAL**

Particulars	As at 31 March 2025		As at 31 March 2024	
	No of shares	Amount	No of shares	Amount
<b>Authorised shares (*)</b>				
Equity shares of ₹ 10 each (in ₹)	150,000,000	1,500.00	150,000,000	1,500.00
<b>Issued, subscribed and fully paid-up shares</b>				
Equity shares of ₹ 10 each (in ₹) fully paid up	106,918,751	1,069.18	94,845,853	948.46
Equity shares of ₹ 10 each (in ₹) partly paid up of ₹ 5 each	35,083	0.18	-	-
<b>Total</b>	<b>106,953,834</b>	<b>1,069.36</b>	<b>94,845,853</b>	<b>948.46</b>

(\*)Excludes 5,000,000, 7% Redeemable preference shares of ₹ 100 each amounting to ₹ 500 (31 March 2024: ₹ 500).

**SOBHA LIMITED****NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**17 EQUITY SHARE CAPITAL (Cont'd)****(a) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year**

Particulars	As at 31 March 2025		As at 31 March 2024	
	No of shares	Amount	No of shares	Amount
<b>Equity shares</b>				
At the beginning of the year	94,845,853	948.46	94,845,853	948.46
Issued during the year (refer note 45)	12,107,981	120.90	-	-
<b>Outstanding at the end of the year</b>	<b>106,953,834</b>	<b>1,069.36</b>	<b>94,845,853</b>	<b>948.46</b>

**(b) Terms/rights attached to equity shares**

The Company has issued only one class of equity shares having a par value of ₹ 10 per share (in ₹) fully paid up. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting.

During the year company has issued shares to existing shareholders (Refer note 45).

In the event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(c) Details of equity shareholders holding more than 5% shares in the Company**

Name of the shareholder	As at 31 March 2025		As at 31 March 2024	
	No of shares	% holding	No of shares	% holding
<i>Equity shares of ₹ 10 each (in ₹) fully paid up</i>				
Mrs. Sobha Menon	32,761,059	30.64%	28,726,420	30.29%
Mr. P.N.C. Menon	14,186,456	13.27%	12,339,259	13.01%
Mr. P.N.C. Menon (inclusive of joint holding with Mrs. Sobha Menon)	5,964,252	5.58%	5,289,054	5.58%
Anamudi Real Estates LLP	5,947,134	5.56%	9,475,096	9.99%

**(d) Details of shares held by promoters**

Promoter Name	31 March 2025			31 March 2024		
	No. of shares	% of total shares	% change during the year <sup>#</sup>	No. of shares	% of total shares	% change during the year
Mrs. Sobha Menon	32,761,059	30.64%	0.35%	28,726,420	30.29%	-
Mr. P.N.C. Menon	14,186,456	13.27%	0.26%	12,339,259	13.01%	0.02%
Mr. P.N.C. Menon (inclusive of joint holding with Mrs. Sobha Menon)**	5,964,252	5.58%	0.00%	5,289,054	5.58%	-
Mr. Ravi PNC Menon**	3,596,301	3.36%	0.00%	3,185,930	3.36%	-

<sup>#</sup> Since the Company issued equity shares by way of rights issue during the year, shareholding of promoters has changed.

\*\* Certain percentages that are required to be presented and do not appear due to rounding off are expressed as "0.00%".

## SOBHA LIMITED

### NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

(All amounts in ₹ millions, unless otherwise stated)

#### 17 EQUITY SHARE CAPITAL (Cont'd)

- (e) There have been no buy back of shares, issue of bonus shares and issue of shares pursuant to contract without payment being received in cash for the period of 5 years immediately preceding the reporting date.
- (f) There are no shares reserved for issue under options and contracts/commitments for sale of shares/disinvestments.

#### 18 OTHER EQUITY

Particulars	As at 31 March 2025	As at 31 March 2024
Capital redemption reserve	119.47	119.47
Securities premium	29,050.64	9,328.92
General reserve	4,602.59	4,490.36
Retained earnings (including OCI)	9,376.98	8,692.06
	<b>43,149.68</b>	<b>22,630.81</b>
<b>Capital reserve</b>		
Balance at the beginning and end of the year	119.47	119.47
<b>Closing balance</b>	<b>119.47</b>	<b>119.47</b>
<b>Securities premium</b>		
Balance at the beginning and end of the year	9,328.92	9,328.92
<b>Add:</b> Premium on issue of equity shares [refer note (b) below, refer note 45]	19,721.72	-
<b>Closing balance</b>	<b>29,050.64</b>	<b>9,328.92</b>
<b>General reserve</b>		
Balance at the beginning of the year	4,490.36	4,443.79
<b>Add:</b> Transfer from statement of profit and loss	112.23	46.57
<b>Closing balance</b>	<b>4,602.59</b>	<b>4,490.36</b>
<b>Surplus in the statement of profit and loss</b>		
Balance at the beginning of the year	8,692.06	8,570.04
Profit for the year	1,122.32	465.69
Other comprehensive income		
Re-measurement loss on defined benefit plans (net of tax)	(22.55)	(12.56)
<b>Less:</b> Appropriations		
Dividend (including dividend distribution tax) refer note 18(a)	(302.62)	(284.54)
Transfer to general reserve	(112.23)	(46.57)
<b>Net surplus in the statement of profit and loss</b>	<b>9,376.98</b>	<b>8,692.06</b>
<b>Total other equity</b>	<b>43,149.68</b>	<b>22,630.81</b>

#### Nature and purpose of reserve

##### (a) Capital redemption reserve

The Company recognises profit and loss on purchase, sale, issue or cancellation of the Company's own equity instruments to capital redemption reserve.

## **SOBHA LIMITED**

### **NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

#### **18 OTHER EQUITY (Cont'd)**

##### **(b) Securities premium**

Securities premium reserve is used to record the premium received on issue of shares by the Company. The reserve can be utilised in accordance with the provision of Section 52 of The Companies Act, 2013.

##### **(c) General reserve**

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

##### **(d) Retained earnings**

The cumulative gain or loss arising from the operations which is retained by the Company is recognised and accumulated under surplus in the statement of profit and loss.

#### **18 (a) Distribution made and proposed**

<b>Particulars</b>	<b>As at 31 March 2025</b>	<b>As at 31 March 2024</b>
<b>Final dividend on equity shares declared and paid</b>		
₹ 3 per share for the year ended 31 March 2024 (*)	302.62	-
₹ 3 per share for the year ended 31 March 2023	-	284.54
	<b>302.62</b>	<b>284.54</b>
<b>Details of proposed final dividend on equity shares (*)</b>		
₹ 3 per share for the year ended 31 March 2025	320.81	-
₹ 3 per share for the year ended 31 March 2024	-	284.54
	<b>320.81</b>	<b>284.54</b>

(\*) Proposed dividend on equity shares are subject to the approval of the shareholders at the ensuing annual general meeting and are not recognised as a liability as at respective balance sheet dates.

(#) The Company has paid dividend for the year ended 31 March 2025 of ₹ 302.62 (including proportionate dividend of ₹ 1.50 per right share paid amounting to ₹ 18.08) (for the year ended 31 March 2024 of ₹ 284.54).

#### **19 BORROWINGS**

<b>Particulars</b>	<b>As at 31 March 2025</b>	<b>As at 31 March 2024</b>
<b>Non-current borrowings</b>		
<b>Term loans (Secured)</b>		
- from banks	5,569.44	7,224.94
- from other parties	2,988.74	3,011.48
	<b>8,558.18</b>	<b>10,236.42</b>
<b>Term loans (Unsecured)</b>		
- from banks	-	993.06
<b>Less: Current maturities of long term borrowings</b>	(1,234.85)	(4,513.39)
<b>Total non-current borrowings</b>	<b>7,323.33</b>	<b>6,716.09</b>

**SOBHA LIMITED****NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**19 BORROWINGS (Cont'd)**

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Current borrowings</b>		
<b>Term loans (Secured)</b>		
- from banks	-	98.27
- from other parties	-	952.69
<b>Loans repayable on demand</b>		
- from banks	1,824.57	3,650.98
Cash credit from banks	478.62	2,655.18
Current maturities of long term borrowings	1,234.85	4,513.39
<b>Total current borrowings</b>	<b>3,538.04</b>	<b>11,870.51</b>

**Note:**

- i) The Company has been sanctioned a working capital limit in excess of ₹ 5 crores by banks and financial institutions based on the security of current assets. The quarterly returns/statements, in respect of the working capital limits have been filed by the Company with such banks and financial institutions and such returns/statements are in agreement with the books of account of the Company for the respective periods, which were not subject to audit/review.
- ii) The Company has not been declared a wilful defaulter by any bank, financial institution, government or any government authority.

Particulars	As at 31 March 2025	As at 31 March 2024	Effective interest rat	Security Details	Repayment Terms
<b>Non-current borrowings</b>					
Term loans from banks	-	1,154.17	8%-10%	<b>Secured by way of</b> a. equitable mortgage on immovable properties of the project b. equitable mortgage on vacant land parcels c. hypothecation of escrow balances, other current assets and receivables (both present and future) of the project	Repayable in 10 equal quarterly installments, after a moratorium period of 39 months from the date of first disbursement.
Term loans from banks	1,306.24	1,394.52	8%-10%	<b>Secured by way of</b> a. mortgage of investment property and hypothecation of current assets and receivables relating to the investment property b. hypothecation of escrow account and debt service reserve account	Repayable in 153 monthly installments, after a moratorium period of 3 months from the date of first disbursement.

**SOBHA LIMITED**
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**19 BORROWINGS (Cont'd)**

Particulars	As at 31 March 2025	As at 31 March 2024	Effective interest rat	Security Details	Repayment Terms
Term loans from banks	-	179.55	8%-10%	<b>Secured by way of</b> <ol style="list-style-type: none"> <li>first charge on the company's share of inventory in the project</li> <li>equitable mortgage on vacant land parcels</li> <li>hypothecation of escrow balances, other current assets and company's share of receivables (both present and future) of the project and debt service reserve account</li> </ol>	Repayable in 10 equal quarterly installments, after a moratorium period of 42 months from the date of first disbursement.
Term loans from banks	-	372.03	8%-10%	<b>Security charge by way of</b> <ol style="list-style-type: none"> <li>equitable mortgage of immovable property of the subsidiary project</li> <li>first charge on escrow balances and all assets of the subsidiary project</li> <li>corporate security of the subsidiary</li> </ol>	Repayable in 15 equal quarterly installments, after a moratorium period of 3 months from the date of first disbursement.
Term loans from banks	-	1,168.74	8%-10%	<b>Secured by way of</b> <ol style="list-style-type: none"> <li>equitable mortgage on immovable properties of the project</li> <li>equitable mortgage on vacant land parcels</li> <li>hypothecation of escrow balances, other current assets and receivables (both present and future) of the project and debt service reserve account</li> </ol>	Repayable in 10 equal quarterly installments, after a moratorium period of 51 months from the date of first disbursement.
Term loans from banks	-	74.17	8%-10%	<b>Secured by way of</b> <ol style="list-style-type: none"> <li>first charge on property, plant and equipment</li> <li>equitable mortgage on vacant land parcels</li> </ol>	Repayable in 16 equal quarterly installments from the date of first disbursement
Term loans from banks	-	46.84	8%-10%	<b>Secured by way of</b> <ol style="list-style-type: none"> <li>equitable mortgage on immovable properties of the project</li> <li>hypothecation of receivables (both present and future)</li> </ol>	Repayable in 48 quarterly installments, after a moratorium period of 30 months from the date of first disbursement.
Term loans from banks	-	374.47	8%-10%	<b>Security charge by way of</b> <ol style="list-style-type: none"> <li>equitable mortgage of immovable property of the subsidiary project</li> <li>first charge on all assets of the subsidiary project</li> </ol>	Repayable in 36 equal quarterly installments, after a moratorium period of 12 months from the date of first disbursement.

**SOBHA LIMITED**
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**19 BORROWINGS (Cont'd)**

Particulars	As at 31 March 2025	As at 31 March 2024	Effective interest rat	Security Details	Repayment Terms
Term loans from banks	-	186.46	8%-10%	<b>Secured by way of</b> a. first charge on the company's share of inventory of the project b. hypothecation of escrow balances and company's share of receivables (both present and future) of the project and debt service reserve account	Repayable in 24 monthly installments, after a moratorium period of 36 months from the date of first disbursement.
Term loans from banks	-	839.04	9%-10%	<b>Secured by way of</b> a. registered mortgage on immovable properties of the project b. hypothecation of escrow balances, other current assets and receivables (both present and future) of the project and debt service reserve account	Repayable in 36 monthly installments, after a moratorium period of 12 months from the date of first disbursement.
Term loans from banks	186.45	497.83	9%-10%	<b>Secured by way of</b> a. equitable mortgage on immovable properties of the project(both present and future) b. hypothecation of receivables of the projects (both present and future)	Repayable in 8 equal quarterly installments, after a moratorium period of 12 months from the date of first disbursement.
Term loans from banks	522.44	661.73	9%-11%	<b>Secured by way of</b> a. mortgage of property owned by subsidiary company b. mortgage of building owned by the company c. corporate guarantee of subsidiary company	Repayable in 20 equal quarterly installments from the date of first disbursement.
Term loans from banks	797.33	-	8%-10%	<b>Secured by way of</b> a. hypothecation of escrow balances, other current assets and receivables (both present and future) of the project and debt service reserve account b. negative lien on vacant land parcels	Repayable in 11 equal quarterly installments, after a moratorium period of 3 months from the date of first disbursement.

**SOBHA LIMITED**
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**19 BORROWINGS (Cont'd)**

Particulars	As at 31 March 2025	As at 31 March 2024	Effective interest rat	Security Details	Repayment Terms
Term loans from banks	558.48	-	8%-10%	<b>Security charge by way of</b> <ol style="list-style-type: none"> <li>equitable mortgage of immovable property of the Subsidiary project</li> <li>hypothecation of receivables (both present and future)</li> <li>first Charge on escrow balances and all assets of the Subsidiary project</li> <li>corporate guarantee of the subsidiary</li> </ol>	Repayable in 10 equal quarterly installments from the date of first disbursement.
Term loans from banks	1,733.51	-	8%-10%	<b>Secured by way of</b> <ol style="list-style-type: none"> <li>hypothecation of Escrow balances and Company's share of receivables (both present and future) of the project and Debt Service Reserve account</li> </ol>	Repayable in 36 monthly installments, after a moratorium period of 24 months from the date of first disbursement.
Term loans from other parties	1,491.34	-	8%-10%	<b>Secured by way of</b> <ol style="list-style-type: none"> <li>equitable mortgage on the Company's share of Inventory of the project</li> <li>registered mortgage on immovable properties of the project</li> <li>hypothecation of escrow balances and Company's share of receivables (both present and future) of the project</li> </ol>	Repayable in 84 monthly installments, after a moratorium period of 48 months from the date of first disbursement.
Term loans from other parties	985.14	-	8%-10%	<b>Secured by way of</b> <ol style="list-style-type: none"> <li>equitable mortgage on the Company's share of Inventory of the project</li> <li>hypothecation of escrow balances and Company's share of receivables (both present and future) of the project</li> </ol>	Repayable in 24 monthly installments, after a moratorium period of 36 months from the date of first disbursement.
Term loans from banks	10.60	-	8%-10%	<b>Secured by way of</b> <ol style="list-style-type: none"> <li>hypothecation of identified Equipment</li> </ol>	Repayable in 48 monthly installments, after a moratorium period of 2 months from the date of first disbursement.
Term loans from banks	287.20	-	8%-10%	<b>Secured by way of</b> <ol style="list-style-type: none"> <li>mortgage of land and building owned by the Company</li> </ol>	Repayable in 20 equal quarterly installments from the date of first disbursement.

**SOBHA LIMITED**
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**19 BORROWINGS (Cont'd)**

Particulars	As at 31 March 2025	As at 31 March 2024	Effective interest rat	Security Details	Repayment Terms
Term loans from banks	-	275.39	9%-10%	<b>Secured by way of</b> a. hypothecation of Escrow balances, other current assets and receivables (both present and future) of the project and Debt Service Reserve account	Repayable in 11 equal quarterly installments, after a moratorium period of 3 months from the date of first disbursement.
Term loans from banks	167.19	386.32	9%-11%	<b>Secured by way of</b> a. mortgage of property owned by Subsidiary Company b. mortgage of building owned by the Company c. corporate security of Subsidiary Company"	Repayable in 20 equal quarterly installments, after a moratorium period of 6 months from the date of first disbursement.
Term loans from other parties	-	826.41	8%-10%	<b>Secured by way of</b> a. first charge on the Company's share of Inventory of the project b. hypothecation of escrow balances and Company's share of receivables (both present and future) of the project	Repayable in 24 monthly installments, after a moratorium period of 48 months from the date of first disbursement.
Term loans from other parties	-	420.71	8%-10%	<b>Secured by way of</b> a. equitable mortgage on the Company's share of Inventory of the project b. equitable mortgage on vacant land parcels c. hypothecation of escrow balances and Company's share of receivables (both present and future) of the project	Repayable in 24 equal monthly installments, after a moratorium period of 24 months from the date of first disbursement.
Term loans from other parties	-	147.06	8%-10%	<b>Secured by way of</b> a. equitable mortgage on the Company's share of Inventory of the project b. hypothecation of escrow balances and Company's share of receivables (both present and future) of the project	Repayable in 24 monthly installments, after a moratorium period of 24 months from the date of first disbursement.
Term loans from other parties	-	325.17	9%-10%	<b>Secured by way of</b> a. equitable mortgage on vacant land parcels b. hypothecation of escrow balances and Company's share of receivables (both present and future) of the project c. corporate guarantee of Subsidiary Company	Repayable in 24 equal monthly installments, after a moratorium period of 24 months from the date of first disbursement.

**SOBHA LIMITED**
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**19 BORROWINGS (Cont'd)**

Particulars	As at 31 March 2025	As at 31 March 2024	Effective interest rat	Security Details	Repayment Terms
Term loans from other parties	512.26	905.81	8%-10%	<b>Secured by way of</b> a. equitable mortgage on the Company's share of Inventory of the project b. equitable mortgage on vacant land parcels c. hypothecation of escrow balances and Company's share of receivables (both present and future) of the project	Repayable in 36 monthly installments, after a moratorium period of 36 months from the date of first disbursement.
Term loans from banks	-	993.06	9%-11%	Unsecured	Repayable in 30 equal monthly installments, after a moratorium period of 24 months from the date of first disbursement.
<b>Sub - total</b>	<b>8,558.18</b>	<b>11,229.48</b>	- -		-
<b>Current borrowings</b>					
Loan from banks	695.70	695.76	8%-10%	<b>Secured by way of</b> a. first charge on inventory, receivables and other current assets of the manufacturing division. b. Equitable mortgage on vacant land parcels	Repayable on demand
Loan from banks	500.00	-	8%-10%	<b>Secured by way of</b> a. equitable mortgage on vacant land parcels b. secured by way of inventory and receivables of the unencumbered project	Repayable on demand
Loan from banks	-	1,475.87	8%-10%	<b>Secured by way of</b> a. first charge on inventory of the project b. first charge on identified moveable fixed assets of the company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels e. first charge on Industrial land and Building and Commercial building	Repayable on demand

**SOBHA LIMITED**
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**19 BORROWINGS (Cont'd)**

Particulars	As at 31 March 2025	As at 31 March 2024	Effective interest rat	Security Details	Repayment Terms
Term loans from banks	-	98.27	8%-10%	<b>Secured by way of</b> <ol style="list-style-type: none"> <li>first charge on the Company's share of Inventory of the project</li> <li>hypothecation of escrow balances and Company's share of receivables (both present and future) of the project and Debt Service Reserve account</li> <li>fund shortfall undertaking by the director of the Company towards funding of underlying projects (*)</li> </ol>	Repayable in 24 monthly installments, after a moratorium period of 36 months from the date of first disbursement.
Loan from banks	-	479.35	8%-10%	<b>Secured by way of</b> <ol style="list-style-type: none"> <li>first charge on the Company's share of Inventory of the project</li> <li>hypothecation of Escrow balances and Company's share of receivables (both present and future) of the project and Debt Service Reserve account</li> </ol>	Repayable on demand
Loan from banks	628.87	1,000.00	8%-10%	<b>Secured by way of</b> <ol style="list-style-type: none"> <li>first charge on inventory of the project receivables and inventory of contractual business</li> <li>first charge on identified moveable fixed assets of the company</li> <li>hypothecation of receivables of project</li> <li>equitable mortgage on vacant land parcels</li> <li>first charge on Industrial land, Building and Commercial building*</li> </ol>	Repayable on demand
Term loans from other parties	-	581.07	8%-10%	<b>Secured by way of</b> <ol style="list-style-type: none"> <li>equitable mortgage on the Company's share of Inventory of the project</li> <li>equitable mortgage on vacant land parcels</li> <li>hypothecation of escrow balances and Company's share of receivables (both present and future) of the project</li> </ol>	Repayable in 24 equal monthly installments, after a moratorium period of 24 months from the date of first disbursement.

**SOBHA LIMITED**
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**19 BORROWINGS (Cont'd)**

Particulars	As at 31 March 2025	As at 31 March 2024	Effective interest rat	Security Details	Repayment Terms
Term loans from other parties	-	371.62	9%-10%	<b>Secured by way of</b> a. equitable mortgage on vacant land parcels b. hypothecation of escrow balances and Company's share of receivables (both present and future) of the project c. corporate guarantee of Subsidiary Company	Repayable in 24 equal monthly installments, after a moratorium period of 24 months from the date of first disbursement.
Cash credit	-	1,815.15	9%-11%	<b>Secured by way of</b> a. equitable mortgage on vacant land parcels b. hypothecation of receivables (both present and future) of projects	Repayable on demand
Cash credit	132.28	301.28	8%-10%	<b>Secured by way of</b> a. equitable mortgage on vacant land parcels b. secured by way of inventory and receivables of the unencumbered project	Repayable on demand
Cash credit	261.59	126.60	8%-10%	<b>Secured by way of</b> a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels e. first charge on Industrial land, Building and Commercial building	Repayable on demand
Cash credit	-	163.39	7%-9%	<b>Secured by way of</b> a. first charge on inventory, receivables and other current assets of the manufacturing division b. equitable mortgage on vacant land parcels	Repayable on demand
Cash credit	30.00	8.14	7%-9%	<b>Secured by way of</b> a. first charge on inventory, receivables and other current assets of the manufacturing division b. equitable mortgage on vacant land parcels	Repayable on demand

**SOBHA LIMITED**
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**19 BORROWINGS (Cont'd)**

Particulars	As at 31 March 2025	As at 31 March 2024	Effective interest rat	Security Details	Repayment Terms
Cash credit	-	0.39	8%-10%	<b>Secured by way of</b> a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels e. first charge on Industrial land, Building and Commercial building	Repayable on demand
Cash credit	6.18	0.32	7%-9%	<b>Secured by way of</b> a. first charge on inventory, receivables and other current assets of the manufacturing division b. equitable mortgage on vacant land parcels	Repayable on demand
Cash credit	-	124.22	8%-10%	<b>Secured by way of</b> a. first charge on the Company's share of Inventory of the project b. hypothecation of Escrow balances and Company's share of receivables (both present and future) of the project and Debt Service Reserve account	Repayable on demand
Cash credit	25.70	30.00	8%-10%	<b>Secured by way of</b> a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels e. first charge on Industrial land, building and commercial building	Repayable on demand

**SOBHA LIMITED**
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**19 BORROWINGS (Cont'd)**

Particulars	As at 31 March 2025	As at 31 March 2024	Effective interest rat	Security Details	Repayment Terms
Cash credit	-	58.30	8%-10%	<b>Secured by way of</b> a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels e. first charge on Industrial land, building and commercial building	Repayable on demand
Cash credit	-	10.22	8%-10%	<b>Secured by way of</b> a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels e. first charge on Industrial land, building and commercial building	Repayable on demand
Cash credit	3.18	1.52	8%-10%	<b>Secured by way of</b> a. first charge on inventory of the project receivables and inventory of contractual business b. first charge on identified moveable fixed assets of the company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels e. first charge on Industrial land, building and commercial building	Repayable on demand

**SOBHA LIMITED**
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**19 BORROWINGS (Cont'd)**

Particulars	As at 31 March 2025	As at 31 March 2024	Effective interest rat	Security Details	Repayment Terms
Cash credit	12.03	15.00	8%-10%	<b>Secured by way of</b> a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels e. first charge on Industrial land, building and commercial building	Repayable on demand
Cash credit	0.10	0.10	9%-10%	<b>Secured by way of</b> a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels e. first charge on Industrial land, building and commercial building	Repayable on demand
Cash credit	7.06	-	7%-9%	<b>Secured by way of</b> a. first charge on inventory, receivables and other current assets of the Manufacturing division b. equitable mortgage on vacant land parcels	Repayable on demand
Cash credit	0.10	0.10	9%-10%	<b>Secured by way of</b> a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels e. first charge on Industrial land, building and commercial building	Repayable on demand

**SOBHA LIMITED**
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**19 BORROWINGS (Cont'd)**

Particulars	As at 31 March 2025	As at 31 March 2024	Effective interest rat	Security Details	Repayment Terms
Cash credit	-	0.10	9%-10%	<b>Secured by way of</b> a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels e. first charge on Industrial land, building and commercial building	Repayable on demand
Cash credit	-	0.10	9%-10%	<b>Secured by way of</b> a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels e. first charge on Industrial land, building and commercial building	Repayable on demand
Cash credit	0.10	0.10	9%-10%	<b>Secured by way of</b> a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels e. first charge on Industrial land, building and commercial building	Repayable on demand

**SOBHA LIMITED**
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**19 BORROWINGS (Cont'd)**

Particulars	As at 31 March 2025	As at 31 March 2024	Effective interest rat	Security Details	Repayment Terms
Cash credit	0.10	0.10	9%-10%	<b>Secured by way of</b> a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels e. first charge on Industrial land, building and commercial building	Repayable on demand
Cash credit	0.10	-	8%-10%	<b>Secured by way of</b> a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels e. first charge on Industrial land, building and commercial building	Repayable on demand
Cash credit	0.10	0.05	9%-10%	<b>Secured by way of</b> a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels e. first charge on Industrial land, building and commercial building	Repayable on demand
<b>Sub - total</b>	<b>2,303.19</b>	<b>7,357.12</b>	-	-	-
<b>Total borrowings</b>	<b>10,861.37</b>	<b>18,586.60</b>	-	-	-

(\*) Refer note 35

**SOBHA LIMITED****NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**20 OTHER FINANCIAL LIABILITIES**

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Current</b>		
Payable to land owner for acquisition of land/developmental rights	1,661.19	2,484.38
Security deposit received towards		
- Maintenance services	2,121.61	1,683.36
- Lease deposit	110.90	97.10
Letter of credit payable	86.43	521.78
Book overdraft	510.39	427.28
Revenue share payable under joint development agreement (refer note 35)	815.67	205.36
Interest accrued but not due on borrowings	27.34	16.23
Deferred lease rental	12.20	13.63
Unclaimed dividend (*)	1.93	2.00
Capital creditors	66.54	2.04
Payable to related parties (refer note 35)	-	3.68
Employee dues payable	158.89	141.82
Others	144.53	72.26
<b>Total other financial liabilities</b>	<b>5,717.62</b>	<b>5,670.92</b>

(\*) Investor Protection and Education Fund is credited for unclaimed dividends when due.

**21 PROVISIONS**

Particulars	Non-current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
<b>Provision for employee benefits</b>				
Provision for gratuity (refer note 37)	258.39	245.54	124.79	98.15
Provision for compensated absence	-	-	150.41	124.97
	<b>258.39</b>	<b>245.54</b>	<b>275.20</b>	<b>223.12</b>

**22 OTHER FINANCIAL LIABILITIES**

Particulars	As at 31 March 2025	As at 31 March 2024
Payable to land owner for acquisition of land/developmental rights	1,020.06	-
	<b>1,020.06</b>	<b>-</b>

**SOBHA LIMITED****NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**23 TRADE PAYABLES**

Particulars	As at 31 March 2025	As at 31 March 2024
Dues of micro enterprises and small enterprises	-	-
Dues of creditors other than micro enterprises and small enterprises (refer note 35)	5,613.64	6,133.05
	<b>5,613.64</b>	<b>6,133.05</b>

**Trade payable ageing**

As at 31 March 2025	Accrued	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total undisputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Total undisputed dues of creditors other than micro enterprises and small enterprises	1,439.25	1,771.98	2,122.38	118.86	78.47	82.70	5,613.64
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
	<b>1,439.25</b>	<b>1,771.98</b>	<b>2,122.38</b>	<b>118.86</b>	<b>78.47</b>	<b>82.70</b>	<b>5,613.64</b>

As at 31 March 2024	Accrued	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total undisputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Total undisputed dues of creditors other than micro enterprises and small enterprises	1,097.73	1,067.88	3,767.60	107.49	40.04	52.31	6,133.05

**SOBHA LIMITED****NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**23 TRADE PAYABLES (Cont'd)****Trade payable ageing (Cont'd)**

As at 31 March 2024	Accrued	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
	<b>1,097.73</b>	<b>1,067.88</b>	<b>3,767.60</b>	<b>107.49</b>	<b>40.04</b>	<b>52.31</b>	<b>6,133.05</b>

**A. Details of dues to Micro and Small Enterprises as per Micro, Small and Medium Enterprises Development Act, 2006**

The information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

Particulars	As at 31 March 2025	As at 31 March 2024
i. Principal amount remaining unpaid to any supplier as at the year end	-	-
ii. Interest due thereon	-	-
iii. Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year.	-	-
iv. Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED, 2006	-	-
v. Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
vi. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

**24 OTHER LIABILITIES**

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Contract liabilities</b>		
- Advance from customers	75,862.06	66,420.42
- Mobilisation advance	516.00	833.92
- Liability under joint development agreement (*)	19,291.08	8,812.74
- Deferred revenue	213.42	165.18

**SOBHA LIMITED****NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**24 OTHER LIABILITIES (Cont'd)**

Particulars	As at 31 March 2025	As at 31 March 2024
Withholding taxes payable	67.28	98.82
GST payable	344.78	206.66
Others	14.47	40.88
	<b>96,309.09</b>	<b>76,578.62</b>

(\*)Represents amount payable to landowners where the Company has entered into joint development arrangements with landowners for joint development of properties on land in lieu of which, the Company has agreed to transfer certain percentage of constructed area or certain percentage of the revenue proceeds, net of revenue recognised.

**25 REVENUE FROM OPERATIONS (REFER NOTE 35)**

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
<b>A Revenue from contract with customers</b>		
<b>I. Sale of products</b>		
Income from of constructed properties, plots and other development activities	31,630.27	22,217.88
Income from sale of land and development rights (net)	384.84	159.51
Income from glazing works	1,575.16	1,723.91
Income from interior works	807.73	1,013.54
Income from concrete blocks	914.31	843.15
<b>II. Sale of services</b>		
Income from contractual activity	4,325.04	3,834.58
Income from maintenance and other services	355.00	391.08
<b>III. Other operating revenue</b>		
Forfeiture income	15.67	83.77
Interest collected from customers	38.84	70.83
Transfer fees	64.55	80.21
Marketing fee	51.87	45.82
Scrap sales	75.80	80.40
<b>Total (A)</b>	<b>40,239.08</b>	<b>30,544.68</b>
<b>B Rental income</b>		
Rental income from operating leases (refer note 38)	427.57	374.80
<b>Total (A+B)</b>	<b>40,666.65</b>	<b>30,919.48</b>

**Additional disclosures required under Ind AS 115****A. Disaggregated revenue information**

Set out below is the disaggregation of the Company's revenue from contracts with customers by timing of transfer of goods or services:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Revenue recognition at a point of time	30,420.93	21,498.52
Revenue recognition over period of time	9,818.15	9,046.16
	<b>40,239.08</b>	<b>30,544.68</b>

**SOBHA LIMITED****NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**25 REVENUE FROM OPERATIONS (REFER NOTE 35) (Cont'd)****B. Contract balances**

The following table provides information about receivables and contract liabilities from contract with customers:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
<b>Contract assets</b>		
Unbilled revenue	1,320.89	1,686.48
<b>Total contract assets</b>	<b>1,320.89</b>	<b>1,686.48</b>
<b>Contract liabilities</b>		
Advance from customers (includes mobilisation advance)	76,378.06	67,254.34
Liability under joint development agreement	19,291.08	8,812.74
Deferred revenue	213.42	165.18
<b>Total contract liabilities</b>	<b>95,882.56</b>	<b>76,232.26</b>
<b>Receivables</b>		
Trade receivables (net of expected credit loss)	2,806.42	2,369.39
<b>Total receivables</b>	<b>2,806.42</b>	<b>2,369.39</b>

Unbilled revenue is initially recognised for revenue earned on account of contracts where revenue is recognised over the period of time as receipt of consideration is conditional on successful completion of performance obligations as per contract. Once the performance obligation is fulfilled and milestones for invoicing are achieved, contract assets are classified to trade receivables. Such unbilled revenue is classified as non-financial asset because the right to consideration depends on completion of contractual milestones.

Contract liabilities include advances received from customers as well as deferred revenue representing transaction price allocated to outstanding performance obligations.

**Cost to obtain the contract:**

(i) Amortisation in Statement of Profit and Loss: ₹ 303.44 (31 March 2024: ₹ 463.10)

(ii) Recognised as contract assets: ₹ 1,011.72 (31 March 2024: ₹ 1,521.90)

**C. Significant changes in contract liabilities balances during the year are as follows:**

Particulars	As at 31 March 2025			As at 31 March 2024		
	Advances from customers (*)	Payable to land owner	Deferred Revenue	Advances from customers (*)	Payable to land owner	Deferred Revenue
<b>Opening balance</b>	<b>67,254.34</b>	<b>8,812.74</b>	<b>165.18</b>	<b>51,500.06</b>	<b>11,414.70</b>	<b>168.70</b>
Additions during the year (net)	36,557.10	14,396.29	213.42	34,959.80	885.71	165.18
Revenue recognised during the year	(27,433.38)	(3,917.95)	(165.18)	(19,205.52)	(3,487.67)	(168.70)
<b>Closing balance</b>	<b>76,378.06</b>	<b>19,291.08</b>	<b>213.42</b>	<b>67,254.34</b>	<b>8,812.74</b>	<b>165.18</b>

(\*) Includes mobilisation advance.

**SOBHA LIMITED****NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**25 REVENUE FROM OPERATIONS (REFER NOTE 35) (Cont'd)****D. Significant changes in unbilled revenue balances during the year are as follows:**

<b>Particulars</b>	<b>As at 31 March 2025</b>	<b>As at 31 March 2024</b>
<b>Opening balance</b>	<b>1,686.48</b>	<b>1,801.76</b>
Revenue recognised during the year	5,554.07	5,604.31
Billed during the year	(5,919.66)	(5,719.59)
<b>Closing balance</b>	<b>1,320.89</b>	<b>1,686.48</b>

**E. Reconciliation of revenue recognised with contract revenue:**

<b>Particulars</b>	<b>As at 31 March 2025</b>	<b>As at 31 March 2024</b>
Contract revenue	40,239.08	30,544.68
<b>Revenue recognised</b>	<b>40,239.08</b>	<b>30,544.68</b>

The performance obligation of the Company in case of sale of residential plots, villas, apartments, commercial space and development management of such properties is satisfied once the project is completed and control is transferred to the customers. The customer makes the payment for contract price as per installment stipulated in customer's agreement which can be cancelled by the customer for convenience.

There is no single customer contributing more than 10% of total revenues.

The transaction price of the remaining performance obligation (unsatisfied or partly satisfied) as at 31 March 2025 is ₹ 156,687.42 (31 March 2024 is ₹ 140,915.27). The same is expected to be recognised within 1 to 5 years.

**26 OTHER INCOME**

<b>Particulars</b>	<b>Year ended 31 March 2025</b>	<b>Year ended 31 March 2024</b>
<b>Interest income on</b>		
- Bank deposits	597.02	246.88
- Loans to related parties (refer note 35)	154.89	62.15
- Unwinding of discount on refundable deposits	209.63	324.05
- Refundable deposits	48.61	9.36
- Other financial assets	43.09	109.19
Share in profits of partnership firm investments (post tax) (refer note 35)	10.53	43.40
Other non-operating income (net of expenses directly attributable to such income)		
- Liabilities no longer required written back	71.48	197.63
- Sub-contractor facilitation charges	141.49	245.63
- Gain on foreign exchange difference (net)	0.49	2.12
- Profit on sale of property, plant and equipment (net)	0.53	2.41
- Others	80.38	64.15
	<b>1,358.14</b>	<b>1,306.97</b>

**SOBHA LIMITED****NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**27 COST OF MATERIAL CONSUMED**

<b>Particulars</b>	<b>Year ended 31 March 2025</b>	<b>Year ended 31 March 2024</b>
Inventory at the beginning of the year	600.70	717.54
<b>Add:</b> Purchases during the year	2,976.83	2,773.65
<b>Less:</b> Inventory at the end of the year	835.54	600.70
Cost of material consumed	<b>2,741.99</b>	<b>2,890.49</b>

**28 CHANGES IN INVENTORIES OF RAW MATERIALS, LAND STOCK, WORK IN PROGRESS AND FINISHED GOODS**

<b>Particulars</b>	<b>Year ended 31 March 2025</b>	<b>Year ended 31 March 2024</b>
<b>Inventories at the end of the year</b>		
Building materials	1,508.75	1,525.16
Land stock	5,692.16	4,436.99
Right of use asset - Land	2,171.19	-
Work-in-progress	86,876.75	75,958.03
Stock of units in completed real estate projects	8,176.04	5,911.19
Finished goods	68.59	53.03
	<b>104,493.48</b>	<b>87,884.40</b>
<b>Inventories at the beginning of the year</b>		
Building materials	1,525.16	1,336.47
Land stock	5,634.32	5,635.90
Work-in-progress	73,668.74	61,157.66
Stock of units in completed real estate projects	7,003.15	13,957.80
Finished goods	53.03	61.53
	<b>87,884.40</b>	<b>82,149.36</b>
<b>Less:</b> Land Aquisition claim receivable reclassification	(461.16)	-
<b>Add:</b> EDC/IDC charges transferred from other financial assets	-	1,054.70
	<b>(17,070.24)</b>	<b>(4,680.34)</b>

**29 EMPLOYEE BENEFITS EXPENSE (REFER NOTE 35)**

<b>Particulars</b>	<b>Year ended 31 March 2025</b>	<b>Year ended 31 March 2024</b>
Salaries, wages and bonus	3,664.80	3,191.54
Contribution to provident and other funds (refer note 37)	116.12	97.48
Gratuity expenses (refer note 37)	48.07	44.67
Compensated absence	73.19	52.68
Staff welfare expenses	149.78	139.83
	<b>4,051.96</b>	<b>3,526.20</b>

**SOBHA LIMITED****NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**30 FINANCE COSTS (\*)**

<b>Particulars</b>	<b>Year ended 31 March 2025</b>	<b>Year ended 31 March 2024</b>
<b>Interest expense</b>		
- on borrowings	1,554.25	1,896.12
- unwinding of discount on land cost payable	217.90	255.20
- on leases	25.54	25.12
- on others	25.17	133.83
<b>Other borrowing cost</b>		
- letter of credit charges	6.09	24.85
- bank guarantee charges	10.26	32.13
- bank and other charges	45.58	31.85
<b>Total</b>	<b>1,884.79</b>	<b>2,399.10</b>
	1,676.35	2,012.75

(\*)Includes finance expense capitalised to inventory (The rate used to determine the amount of borrowing costs eligible for capitalisation is the effective interest rate of the underlying borrowings which is in the range of 7% to 11%) Capitalisation rate 31.03.2025 - 9% (31.03.2024 - 9%).

**31 DEPRECIATION AND AMORTIZATION EXPENSE**

<b>Particulars</b>	<b>Year ended 31 March 2025</b>	<b>Year ended 31 March 2024</b>
Depreciation of property, plant and equipment (refer note 4)	676.30	586.47
Depreciation of investment properties (refer note 5)	91.93	94.92
Depreciation of right of use assets* (refer note 38)	78.76	60.39
Amortization of intangible assets (refer note 7)	11.58	0.06
	<b>858.57</b>	<b>741.83</b>

\* Net of depreciation on 'right of use asset - land' capitalised in work in progress 31 March 2025 of ₹ 6.75 (31 March 2024: Nil)

**32 OTHER EXPENSES**

<b>Particulars</b>	<b>Year ended 31 March 2025</b>	<b>Year ended 31 March 2024</b>
License fees and plan approval charges	509.01	633.90
Power and fuel	617.21	568.04
Freight and forwarding charges	282.20	278.18
Rent (refer note 35)	235.57	437.79
Rates and taxes	131.65	124.04
Insurance	150.49	133.72
Property maintenance expenses	168.35	140.57
Repairs and maintenance		
Plant and machinery	61.79	57.69
Others	88.01	108.66
Advertising and sales promotion	825.48	484.84

**SOBHA LIMITED****NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**32 OTHER EXPENSES (Cont'd)**

<b>Particulars</b>	<b>Year ended 31 March 2025</b>	<b>Year ended 31 March 2024</b>
Brokerage and discounts	657.67	479.78
Donation	0.11	-
Corporate Social Responsibility expenditure (refer note 'B' below)	85.03	150.00
Travelling and conveyance (refer note 35)	188.58	212.37
Printing and stationery	40.65	49.71
Software and subscription charges	114.64	81.12
Water charges	60.70	52.87
Legal and professional fees	549.69	512.69
Payment to auditor (refer note 'A' below)	17.07	15.75
Exchange difference (net)	1.35	-
Allowance for credit loss on doubtful trade receivables (refer note 41)	375.38	20.66
Provision for doubtful land advances	208.05	82.63
Other advances written off (refer note 35)	224.62	50.21
Security and house keeping	309.61	263.83
Impairment of property, plant and equipment	4.31	29.47
Miscellaneous expenses	280.70	316.43
	<b>6,187.92</b>	<b>5,284.95</b>

**A. Payment to the auditor**

<b>Particulars</b>	<b>Year ended 31 March 2025</b>	<b>Year ended 31 March 2024</b>
Audit fees (including limited review's)	15.35	14.20
Certification fees(*)	8.90	-
Reimbursement of expenses	1.72	1.55
	<b>25.97</b>	<b>15.75</b>

(\*) Certification fee paid for rights issue (i.e., right issue expenses) was netted off with securities premium

**B. Details of CSR expenditure:**

<b>Particulars</b>	<b>Year ended 31 March 2025</b>	<b>Year ended 31 March 2024</b>
a. Amount required to be spent by the Company during the year	33.16	29.16
b. Amount approved by the Board to be spent during the year	85.03	150.00
c. Amount spent during the year		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than above	85.03	150.00
d. Shortfall at the end of the year	Nil	Nil

**SOBHA LIMITED****NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**32 OTHER EXPENSES (Cont'd)****B. Details of CSR expenditure:(Cont'd)**

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
e. Nature of CSR activities	Social empowerment	Social empowerment
f. Details of related party transactions - Sri Kurumba Educational and Charitable Trust (refer note 35)	85.03	150.00

**33 INCOME TAX**

The significant components of income tax expense for the years ended 31 March 2025 and 31 March 2024 are:

**A. Amounts charged to statement of profit and loss**

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
<b>Current income tax:</b>		
Current income tax charge	1,583.96	1,176.95
In respect of prior years	-	11.87
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	(1,168.73)	(970.87)
<b>Income tax expense reported in the statement of profit and loss</b>	<b>415.23</b>	<b>217.95</b>

**B. Income tax recognised in other comprehensive income**

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Deferred tax credit on net loss on remeasurements of defined benefit plans	7.58	4.23
<b>Income tax charge to other comprehensive income</b>	<b>7.58</b>	<b>4.23</b>

**C. Reconciliation of tax expense and the accounting profit multiplied by Company's domestic tax rate for 31 March 2025 and 31 March 2024**

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Accounting profit before income tax	1,537.55	683.64
Tax on accounting profit at statutory income tax rate 25.17% (31 March 2024: 25.17%)	386.96	172.05
Adjustments in respect of current income tax of previous years	-	11.87
Permanent adjustments	25.62	44.95
Tax impact on profit from partnership firm	2.65	(10.92)
	<b>415.23</b>	<b>217.95</b>

**SOBHA LIMITED****NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**33 INCOME TAX (Cont'd)****D. Deferred tax**

Deferred tax assets and liabilities relates to the following - [DTA/(DTL)]

Particulars	Balance as at 01 April 2024	Movement in statement of Profit and Loss	Movement in OCI	Balance as at 31 March 2025
<b>Deferred tax assets arising out of:</b>				
Property, plant and equipment and investment property	18.34	(17.39)	-	0.95
Provision for compensated absence	31.45	6.41	-	37.86
Provision for gratuity	86.50	2.32	7.58	96.40
Provision for exgratia	16.17	(4.15)	-	12.02
Expected credit losses	145.00	(86.29)	-	58.71
Others	14.33	8.30	-	22.63
On account of difference in Ind AS 115 and ICDS III	802.11	1,259.53	-	2,061.64
<b>Net deferred tax assets</b>	<b>1,113.90</b>	<b>1,168.73</b>	<b>7.58</b>	<b>2,290.21</b>

Particulars	Balance as at 01 April 2023	Movement in statement of Profit and Loss	Movement in OCI	Balance as at 31 March 2024
<b>Deferred tax assets arising out of:</b>				
Property, plant and equipment	40.57	(22.23)	-	18.34
Provision for compensated absence	29.47	1.98	-	31.45
Provision for gratuity	79.17	3.10	4.23	86.50
Provision for exgratia	18.64	(2.47)	-	16.17
Expected credit losses	153.49	(8.49)	-	145.00
Others	14.47	(0.14)	-	14.33
	<b>335.81</b>	<b>(28.25)</b>	<b>4.23</b>	<b>311.79</b>
<b>Deferred tax liabilities arising out of:</b>				
On account of difference in IndAS 115 and ICDS III	(197.01)	999.12	-	802.11
	<b>(197.01)</b>	<b>999.12</b>	<b>-</b>	<b>802.11</b>
<b>Net deferred tax assets</b>	<b>138.80</b>	<b>970.87</b>	<b>4.23</b>	<b>1,113.90</b>

**E.** The Company has not entered into any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

**F. Income tax assets (net)**

Particulars	31 March 2025	31 March 2024
Income tax assets (net)	307.02	307.02
	<b>307.02</b>	<b>307.02</b>

## SOBHA LIMITED

### NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

(All amounts in ₹ millions, unless otherwise stated)

#### 33 INCOME TAX (Cont'd)

##### G. Current tax liabilities (net)

Particulars	31 March 2025	31 March 2024
Provision for tax (net of advance tax)	664.52	587.68
	<b>664.52</b>	<b>587.68</b>

#### 34 EARNINGS PER SHARE ['EPS']

Particulars	31 March 2025	31 March 2024
Net Profit after tax attributable to equity shareholders	1,122.31	465.68
Weighted average number of equity shares used in calculating basic and diluted EPS	10,20,82,342	9,48,45,853
Nominal value per equity share (in ₹)	10	10
<b>Earnings per share (in ₹)</b>		
Basic (in ₹)	10.99	4.91
Diluted (in ₹)	10.99	4.91

#### 35 RELATED PARTY DISCLOSURES

##### A. Name of the related parties and the nature of its relationship with the Company's as below

###### Subsidiaries

Sobha City  
Sobha Highrise Ventures Private Limited  
Sobha Developers (Pune) Limited  
Sobha Assets Private Limited  
Sobha Tambaram Developers Limited  
Sobha Nandambakkam Developers Limited  
Sobha Construction Products Private Limited  
C.V.S.Tech Park Private Limited (from 14 February 2024)

###### Subsidiaries of Sobha City

Vayaloor Properties Private Limited  
Vayaloor Builders Private Limited  
Vayaloor Developers Private Limited  
Vayaloor Real Estate Private Limited  
Vayaloor Realtors Private Limited  
Valasai Vettikadu Realtors Private Limited

###### Subsidiaries of Sobha Highrise Ventures Private Limited

Sobha Contracting Private Limited

###### Subsidiaries of Sobha Developers (Pune) Limited

Kilai Builders Private Limited  
Kuthavakkam Builders Private Limited  
Kuthavakkam Realtors Private Limited  
Sobha Interiors Private Limited

## **SOBHA LIMITED**

### **NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

#### **35 RELATED PARTY DISCLOSURES (Cont'd)**

##### **A. Name of the related parties and the nature of its relationship with the Company's as below (Cont'd)**

BNB Builders Private Limited (with effect from 24 July 2024)

##### **Joint Venture**

Kondhwa Projects LLP

##### **Associate**

C.V.S. Tech Park Private Limited (till 14 February 2024)

##### **Key Shareholder**

Mr. P. N. C. Menon

Mrs. Sobha Menon

##### **Key Management Personnel ('KMP')**

Mr. Ravi PNC Menon - Chairman

Mr. Jagadish Nangineni - Managing Director

Mr. Nisanth M N - Deputy Managing Director (with effect from 01 January 2025)

##### **Additional related parties ('KMP's) as per Companies Act, 2013 with whom transactions have taken place**

Mr. Yogesh Bansal - Chief Financial Officer

Mr. Bijan Kumar Dash - Company Secretary (with effect from 01 December 2023)

Mr. Vighneshwar G Bhat - Company Secretary (till 19 October 2023)

##### **Other Directors**

Mr. Anup Shah (till 08 August 2024)

Mr. R V S Rao (till 08 August 2024)

Mrs. Srivathsala KN

Mr. Raman Mangalorkar

Mr. Gopal B Hosur (with effect from 08 August 2024)

Mr. Subba Rao Amarthaluru (with effect from 08 August 2024)

##### **Relatives of key management personnel**

Mrs. Sudha Menon

Mr. P N Haridas

##### **Post employment-benefit plan entity**

Sobha Developers Employees Gratuity Trust

##### **Other related parties with whom transactions have taken place**

Sobha Glazing & Metal Works Private Limited

Sobha Projects & Trade Private Limited

Sobha Puravankara Aviation Private Limited

## SOBHA LIMITED

### NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

(All amounts in ₹ millions, unless otherwise stated)

#### 35 RELATED PARTY DISCLOSURES (Cont'd)

##### A. Name of the related parties and the nature of its relationship with the Company's as below (Cont'd)

Sri Kurumba Educational and Charitable Trust  
Technobuild Developers Private Limited  
Sri Durga Devi Property Management Private Limited  
Sri Parvathy Land Developers Private Limited  
Mapedu Realtors Private Limited  
Mapedu Builders Private Limited  
Chikmangaloor Properties Private Limited  
Chikmangaloor Developers Private Limited  
Chikmangaloor Realtors Private Limited  
Rusoh Marina Properties Private Limited  
Rusoh Home Developers Private Limited  
Chennai Supercity Developers Pvt Ltd  
Mannur Properties Private Limited  
Mannur Builders Private Limited  
Mannur Real Estate Private Limited  
Navabhusan Properties and Developers Private Limited  
Cochin Cyber Estate Pvt Ltd  
Ilupur Builders Pvt Ltd  
Ilupur Developers Pvt Ltd  
Ilupur Real Estate Pvt Ltd  
Ilupur Realtors Pvt Ltd  
Kottaiyur Realtors Pvt Ltd  
Valasai Vettikadu Builders Private Limited  
Valasai Vettikadu Properties Private Limited  
Valasai Vettikadu Real Estate Private Limited

##### B. Details of the transactions with the related parties:

###### I. Transaction with subsidiaries

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
<b>Income from of constructed properties, plots and other development activities</b>		
Sobha Highrise Ventures Private Limited	-	56.79
Sobha Developers (Pune) Limited	-	2.19
<b>Income from contractual activity</b>		
Sobha City	302.21	125.65
Sobha Highrise Ventures Private Limited	704.09	390.71
Sobha Contracting Private Limited	168.25	230.29

**SOBHA LIMITED****NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**35 RELATED PARTY DISCLOSURES (Cont'd)****I. Transaction with subsidiaries (Cont'd)**

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
<b>Marketing and commision on sales</b>		
Sobha City	2.35	-
Sobha Highrise Ventures Private Limited	17.17	-
<b>Other operating income</b>		
Sobha Highrise Ventures Private Limited	-	26.57
Sobha Contracting Private Limited	-	3.68
<b>Income from interior and mattress works</b>		
Sobha Highrise Ventures Private Limited	21.17	28.35
<b>Rental income from operating lease</b>		
Sobha Highrise Ventures Private Limited	25.64	44.55
<b>Land purchase and related cost</b>		
Sobha Developers (Pune) Limited	-	428.19
<b>Purchase of project material</b>		
Sobha Highrise Ventures Private Limited	1.20	29.69
<b>Share in profit of partnership firm</b>		
Sobha City	10.53	43.40
<b>Interest income on unsecured loans to related parties</b>		
Sobha Highrise Ventures Private Limited	0.69	4.38
Sobha Developers (Pune) Limited	73.78	22.30
Sobha Contracting Private Limited	21.62	17.37
Kuthavakkam Builders Private Limited	7.80	3.67
Kuthavakkam Realtors Private Limited	5.85	-
C.V.S.Tech Park Private Limited	1.71	-
Kilai Builders Private Limited	40.02	14.43
BNB Builders Private Limited	3.21	-
Sobha Nandambakkam Developers Limited	0.21	-
<b>Amount contributed to partnership current account</b>		
Sobha City	176.50	177.80
<b>Amount withdrawn from partnership current account</b>		
Sobha City	371.50	24.00
<b>Revenue share paid</b>		
Sobha Developers (Pune) Limited	77.74	-
<b>Advance paid</b>		
Sobha Interiors Private Limited	6.17	-
<b>Rent paid</b>		
Kilai Builders Private Limited	0.96	0.35
Sobha City	1.32	1.64

**SOBHA LIMITED****NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**35 RELATED PARTY DISCLOSURES (Cont'd)****I. Transaction with subsidiaries (Cont'd)**

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
<b>Purchase of equity</b>		
C.V.S.Tech Park Private Limited	-	0.05
<b>Sale of land</b>		
Kilai Builders Private Limited	157.50	-
Kuthavakkam Builders Private Limited	-	14.62
<b>Security deposit adjusted towards rent</b>		
Sobha Interiors Private Limited	14.00	14.00
<b>Security deposit</b>		
Sobha Highrise Ventures Private Limited	0.30	0.50
<b>Refundable deposits paid towards joint development</b>		
Sobha Developers (Pune) Limited	-	20.00
<b>Refundable deposits adjusted towards joint development</b>		
Sobha Highrise Ventures Private Limited	3.27	12.41
Sobha Developers (Pune) Limited	8.64	0.91
<b>Unsecured loans - Loan given to</b>		
Sobha Highrise Ventures Private Limited	9.39	100.60
Sobha Developers (Pune) Limited	758.21	314.43
Sobha Assets Private Limited	-	0.50
Sobha Contracting Private Limited	51.40	44.04
Kuthavakkam Builders Private Limited	76.57	17.03
Kuthavakkam Realtors Private Limited	220.40	-
C.V.S.Tech Park Private Limited	25.29	-
Kilai Builders Private Limited	231.53	386.02
BNB Builders Private Limited	243.52	-
Sobha Nandambakkam Developers Limited	2.20	-
<b>Unsecured loans - Loan repaid by</b>		
Sobha Highrise Ventures Private Limited	45.21	108.48
Sobha Developers (Pune) Limited	490.96	138.49
Kilai Builders Private Limited	19.49	116.86
Sobha Contracting Private Limited	15.15	14.43
Sobha Nandambakkam Developers Limited	2.22	-
Kuthavakkam Builders Private Limited	4.09	-
C.V.S.Tech Park Private Limited	0.17	-
Kuthavakkam Realtors Private Limited	0.59	-
BNB Builders Private Limited	0.32	-

**SOBHA LIMITED****NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**35 RELATED PARTY DISCLOSURES (Cont'd)****I. Transaction with subsidiaries (Cont'd)**

<b>Particulars</b>	<b>Year ended 31 March 2025</b>	<b>Year ended 31 March 2024</b>
<b>Corporate guarantee received</b>		
Sobha Interiors Private Limited	-	700.00
Sobha City	-	1,500.00
Sobha Highrise Ventures Private Limited	700.00	-
<b>Commission On guarantee</b>		
Sobha Highrise Ventures Private Limited	1.26	-
Sobha Interiors Private Limited	3.24	-
Sobha City	1.80	-
<b>Security extinguished</b>		
Sobha City	-	75.37
Sobha Contracting Private Limited	1,161.52	-
Sobha Highrise Ventures Private Limited	591.58	-
Sobha Interiors Private Limited	0.32	3.53
<b>Corporate guarantee extinguished</b>		
Sobha Contracting Private Limited	700.00	-
Sobha Highrise Ventures Private Limited	750.00	-
Sobha City	1,500.00	-
<b>Security received</b>		
Sobha Contracting Private Limited	-	11.71
Sobha City	242.46	-
Sobha Highrise Ventures Private Limited	-	36.19

**II. Transaction with other related parties KMP**

<b>Particulars</b>	<b>Year ended 31 March 2025</b>	<b>Year ended 31 March 2024</b>
<b>Income from of constructed properties, plots and other development activities</b>		
Mr. Jagadish Nangineni	0.02	5.02
<b>Other income</b>		
Mr. Jagadish Nangineni (#)	0.00	0.16
<b>Income/(loss) from sale of land and development rights</b>		
Chikmangaloor Properties Private Limited	3.87	0.14
Chikmangaloor Developers Private Limited	0.63	(0.01)
Chikmangaloor Realtors Private Limited	0.10	0.06
Thakazhi Developers Private Limited	-	22.27
Thakazhi Realtors Private Limited	-	15.68
Rusoh Marina Properties Private Limited	0.26	(0.10)

**SOBHA LIMITED****NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**35 RELATED PARTY DISCLOSURES (Cont'd)****II. Transaction with other related parties KMP (Cont'd)**

<b>Particulars</b>	<b>Year ended 31 March 2025</b>	<b>Year ended 31 March 2024</b>
Rusoh Modern Builders Private Limited	-	(1.39)
Rusoh Modern Properties Private Limited	-	0.23
Rusoh Home Developers Private Limited	0.76	-
Mapedu Realtors Private Limited	5.99	-
Mapedu Builders Private Limited	4.56	-
Kilai Super Developers Private Limited	-	(0.79)
Tirur Cyber Real Estates Private Limited	-	8.81
Chennai Supercity Developers Pvt Ltd	4.32	-
Mannur Properties Private Limited	1.35	-
Mannur Builders Private Limited	0.86	-
Mannur Real Estate Private Limited	7.86	-
Valasai Vettikadu Builders Private Limited	3.18	-
Valasai Vettikadu Properties Private Limited	1.61	-
Valasai Vettikadu Real Estate Private Limited	7.93	-
Navabhusan Properties and Developers Private Limited	13.52	-
Cochin Cyber Estate Pvt Ltd	14.46	-
Ilupur Builders Pvt Ltd	3.93	-
Ilupur Developers Pvt Ltd	18.92	-
Ilupur Real Estate Pvt Ltd	5.08	-
Ilupur Realtors Pvt Ltd	6.71	-
Kottaiyur Realtors Pvt Ltd	3.50	-
<b>Income from glazing works</b>		
Sri Kurumba Educational and Charitable Trust	0.01	0.49
Mr. R V S Rao	-	0.10
<b>Income from interior works</b>		
Sri Kurumba Educational and Charitable Trust	1.06	1.00
Mr. Jagadish Nangineni	-	0.18
<b>Income from concrete blocks</b>		
Sobha Projects & Trade Private Limited	1.20	5.96
<b>Sub-contractor cost</b>		
Sobha Projects & Trade Private Limited	431.79	318.34
<b>Rent</b>		
Sri Kurumba Educational and Charitable Trust	0.12	0.12
Mr. Ravi PNC Menon	12.45	9.00
<b>Travelling and conveyance - Aircraft hire charges</b>		
Sobha Puravankara Aviation Private Limited	-	49.65
<b>Other advances written off</b>		
Sobha Puravankara Aviation Private Limited	111.52	-

**SOBHA LIMITED****NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**35 RELATED PARTY DISCLOSURES (Cont'd)****II. Transaction with other related parties KMP (Cont'd)**

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
<b>Amount received during the year</b>		
Sobha Puravankara Aviation Private Limited	65.72	-
<b>Corporate Social Responsibility expenditure</b>		
Sri Kurumba Educational and Charitable Trust	85.03	150.00
<b>Land advance refunded</b>		
Technobuild Developers Private Limited	179.72	189.60
C.V.S.Tech Park Private Limited	10.00	-
<b>Security deposit adjusted towards rent</b>		
Sobha Glazing & Metal Works Private Limited	5.50	5.50
<b>Advance Paid</b>		
Sobha Glazing & Metal Works Private Limited	2.67	-
<b>Contribution to plan assets</b>		
Sobha Developers Employees Gratuity Trust	38.70	32.30
<b>Guarantee or security received</b>		
Sri Durga Devi Property Management Private Limited	-	900.00
Sri Parvathy Land Developers Private Limited	-	900.00
<b>Guarantees extinguished</b>		
Sri Durga Devi Property Management Private Limited	2,000.00	-
Sri Parvathy Land Developers Private Limited	2,000.00	-
<b>Directors' remuneration</b>		
Mr. Jagadish Nangineni	33.89	22.88
Mr.Nisanth M N	2.59	-
<b>Dividend paid (payment basis)</b>		
Mr. Ravi PNC Menon	10.17	9.56
Mr. Jagadish Nangineni	0.01	0.01
Mr. Anup Shah	0.01	0.01
Mrs. Sudha Menon	0.00	0.00
Mr. P N Haridas	0.14	0.14
<b>Salary (including perquisites)</b>		
Mr. Yogesh Bansal	11.82	8.87
Mr. Bijan Kumar Dash	5.73	1.94
Mr. Vighneshwar G Bhat	-	4.50
<b>Directors' sitting fees and commission</b>		
Mr. Anup Shah	0.84	2.19
Mr. R V S Rao	0.81	2.18
Mrs. Srivathsala KN	2.23	2.25
Mr. Raman Mangalorkar	2.25	2.22
Mr.Gopal B Hosur	1.35	-
Mr.Subba Rao Amarthaluru	1.38	-

**SOBHA LIMITED****NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**35 RELATED PARTY DISCLOSURES (Cont'd)****III. Transaction with key shareholders**

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
<b>Dividend paid (payment basis)</b>		
Mr. P. N. C. Menon	39.62	37.02
Mrs. Sobha Menon	92.23	86.18
Mr. P. N. C. Menon and Mrs. Sobha Menon (jointly held shares)	16.88	15.87

The Company's related party transactions during the year ended 31 March 2025 and 31 March 2024 and outstanding balances as at 31 March 2025 and 31 March 2024 are with its subsidiaries with whom the Company generally enters into transactions which are at arms length and in the ordinary course of business.

(\*) Certain amounts that are required to be presented and do not appear due to rounding off are expressed as "0.00"

**C. Details of balances receivable from and payable to related parties are as follows:****I. Balances receivable from and payable to subsidiaries**

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Advances recoverable in cash or in kind</b>		
Sobha Assets Private Limited	88.88	88.88
Sobha Interiors Private Limited	60.85	56.66
<b>Trade receivables</b>		
Sobha Contracting Private Limited	481.37	392.51
Kilai Builders Private Limited	5.31	-
Balance receivable (net)	-	-
<b>Trade Payables</b>		
Sobha City	0.06	-
<b>Contract asset (Unbilled Revenue)</b>		
Sobha Highrise Ventures Private Limited	3.11	1.53
Sobha Contracting Private Limited	-	39.96
Sobha City	9.17	0.31
<b>Liability under joint development agreement</b>		
Sobha Highrise Ventures Private Limited	28.90	135.87
Sobha Developers (Pune) Limited	384.65	425.99
<b>Advance from customers</b>		
Sobha Tambaram Developers Limited	-	35.40
Sobha Highrise Ventures Private Limited	102.52	147.29
<b>Security deposit received</b>		
Sobha Highrise Ventures Private Limited	0.30	0.80

**SOBHA LIMITED****NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**35 RELATED PARTY DISCLOSURES (Cont'd)****I. Balances receivable from and payable to subsidiaries (Cont'd)**

<b>Particulars</b>	<b>As at 31 March 2025</b>	<b>As at 31 March 2024</b>
<b>Revenue share payable</b>		
Sobha Highrise Ventures Private Limited	-	11.64
Sobha Developers (Pune) Limited	7.50	3.73
<b>Refundable deposits towards joint development</b>		
Sobha Highrise Ventures Private Limited	-	3.27
Sobha Developers (Pune) Limited	10.45	19.09
<b>Right of use assets</b>		
Sobha Interiors Private Limited	56.00	70.00
<b>Land advance</b>		
C.V.S.Tech Park Private Limited	-	11.12
<b>Unsecured loan</b>		
Sobha Highrise Ventures Private Limited	0.61	35.75
Sobha Developers (Pune) Limited	720.80	379.77
Sobha Assets Private Limited	247.20	247.20
Sobha Contracting Private Limited	244.41	189.19
Kuthavakkam Builders Private Limited	122.51	42.22
Kuthavakkam Realtors Private Limited	225.67	-
C.V.S.Tech Park Private Limited	26.83	-
Kilai Builders Private Limited	579.95	327.89
BNB Builders Private Limited	246.41	-
Sobha Nandambakkam Developers Limited	0.19	-
<b>Allowance for credit loss</b>		
Sobha Assets Private Limited	8.34	8.34
<b>Guarantees and collaterals provided</b>		
Sobha City	998.78	998.78
<b>Guarantees received</b>		
Sobha Interiors Private Limited	1,800.00	1,800.00
Sobha Contracting Private Limited	-	700.00
Sobha Highrise Ventures Private Limited	700.00	750.00
Sobha City	-	1,500.00
<b>Security received</b>		
Sobha Interiors Private Limited	1,795.59	1,798.79
Sobha Highrise Ventures Private Limited	682.81	1,274.39
Sobha Contracting Private Limited	-	1,161.52
Sobha City	1,722.97	1,480.51
<b>Balance in partners current account</b>		
Sobha City	1,341.62	1,535.37

**SOBHA LIMITED****NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**35 RELATED PARTY DISCLOSURES (Cont'd)****II. Balances receivable from and payable to joint venture**

Particulars	As at 31 March 2025	As at 31 March 2024
<b>In partners current account</b>		
Kondhwa Projects LLP	1,146.20	1,149.33

**III. Balances receivable from and payable to other related parties**

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Land advance</b>		
Technobuild Developers Private Limited	7,629.77	7,962.80
<b>Right of use assets</b>		
Sobha Glazing & Metal Works Private Limited	22.00	27.50
<b>Advances recoverable in cash or in kind</b>		
Sobha Puravankara Aviation Private Limited	-	177.24
Sobha Glazing & Metal Works Private Limited	12.74	11.06
<b>Trade receivables</b>		
Sri Kurumba Educational and Charitable Trust	0.49	0.62
Sobha Projects & Trade Private Limited	191.39	192.17
Thakazhi Realtors Private Limited	-	8.05
Chennai Supercity Developers Pvt Ltd	1.64	-
Mapedu Realtors Private Limited	1.70	-
Mapedu Builders Private Limited	1.69	-
Chikmangaloor Realtors Private Limited	0.11	-
Chikmangaloor Properties Private Limited	4.06	-
Chikmangaloor Developers Private Limited	0.73	-
Mannur Builders Private Limited	1.01	-
Mannur Real Estate Private Limited	8.48	-
Valasai Vettikadu Builders Private Limited	3.72	-
Valasai Vettikadu Real Estate Private Limited	5.88	-
Navabhusan Properties and Developers Private Limited	14.67	-
Cochin Cyber Estate Pvt Ltd	16.92	-
Ilupur Builders Pvt Ltd	3.14	-
Ilupur Developers Pvt Ltd	20.90	-
Ilupur Real Estate Pvt Ltd	3.34	-
Ilupur Realtors Pvt Ltd	7.85	-
Kottaiyur Realtors Pvt Ltd	4.09	-
Mr. Anup Shah	0.23	0.23
<b>Advance from customers</b>		
Mr. Jagadish Nangineni	6.53	1.51

## SOBHA LIMITED

### NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

(All amounts in ₹ millions, unless otherwise stated)

#### 35 RELATED PARTY DISCLOSURES (Cont'd)

##### III. Balances receivable from and payable to other related parties (Cont'd)

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Trade payables</b>		
Sobha Projects & Trade Private Limited	35.34	86.75
Sri Durga Devi Property Management Private Limited (#)	-	0.00
Mr. Ravi PNC Menon	0.95	1.07
<b>Guarantee or security received</b>		
Sri Durga Devi Property Management Private Limited	-	2,000.00
Sri Parvathy Land Developers Private Limited	-	2,000.00

##### D. Payable to key management personnel/director of the Company

Particulars	As at 31 March 2025	As at 31 March 2024
Commission to independent directors	8.01	8.00
Commission to Chairman and Managing Director	18.62	9.40
	<b>26.63</b>	<b>17.40</b>

##### E. Compensation of key management personnel of the Company

Particulars	As at 31 March 2025	As at 31 March 2024
Short-term employee benefits	54.03	38.19
Other benefits (*)	18.62	9.40
	<b>72.65</b>	<b>47.59</b>

(\*) As the liability for gratuity and leave encashment is provided on actuarial basis for the Company as whole, the amount pertaining to the directors are not included above.

(#) Certain amounts that are required to be presented and do not appear due to rounding off are expressed as "0.00".

**Note:** The director of the Company has given fund shortfall undertaking for certain borrowings towards funding of the respective underlying projects. Refer note 19.

#### 36 SEGMENT INFORMATION

##### Basis of segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Managing Director (MD) to make decisions about resources to be allocated to the segments and assess their performance.

The Company has two reportable segments, as described below, which are the Company's strategic business units. These business units offer different products and services, and are managed separately because they require different marketing strategies. For each of the business units, the Company's MD reviews internal management reports on at least a quarterly basis.

## **SOBHA LIMITED**

### **NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

The MD monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Accordingly, the company has identified following as its reportable segment for the purpose of Ind AS 108:

- a) Real estate segment;
- b) Contractual and manufacturing segment.

Real Estate segment (RE) comprises development, sale, management and operation of all or any part of townships, housing projects, also includes leasing of self owned commercial premises.

The operation of the Contractual and Manufacturing segment (CM) comprises development of commercial premises and other related activities, also includes manufacturing activities related to interiors, glazing and metal works and concrete products.

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Also, the Company's financing (including finance costs and finance income) and income taxes are managed on an overall basis and are not allocated to operating segments.

The following tables present revenue and profit information for the Company's operating segments for the year ended 31 March 2025 and 31 March 2024 respectively:

#### **Business segments**

<b>Particulars</b>	<b>Year ended 31 March 2025</b>	<b>Year ended 31 March 2024</b>
<b>Segment revenue</b>		
Real estate	33,044.41	23,504.30
Contractual and manufacturing	9,319.42	8,800.89
<b>Total segment revenue</b>	<b>42,363.83</b>	<b>32,305.19</b>
Inter segment revenues	(1,697.18)	(1,385.71)
<b>Net revenue from operations</b>	<b>40,666.65</b>	<b>30,919.48</b>
<b>Segment result</b>		
Real estate	3,892.48	3,990.74
Contractual and manufacturing	320.22	767.14
<b>Total segment results</b>	<b>4,212.70</b>	<b>4,757.88</b>
Finance costs	(1,884.79)	(2,399.10)
Other unallocable expenditure	(1,589.86)	(2,648.70)
Share of profits in a subsidiary partnership firm	10.53	43.40
Other income (including finance income)	788.97	930.16
<b>Profit before taxation</b>	<b>1,537.55</b>	<b>683.64</b>
Income taxes	(415.23)	(217.95)
<b>Profit after taxation</b>	<b>1,122.32</b>	<b>465.69</b>

**SOBHA LIMITED****NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**36 SEGMENT INFORMATION (Cont'd)**

The following table presents assets and liabilities information for the Company's operating segments as at 31 March 2025 and 31 March 2024 respectively:

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Segment assets</b>		
Real estate	126,637.87	108,030.86
Contractual and manufacturing	8,498.47	8,078.19
<b>Total segment assets</b>	<b>135,136.34</b>	<b>116,109.05</b>
Unallocated assets	30,328.45	15,757.99
<b>Total assets</b>	<b>165,464.79</b>	<b>131,867.04</b>
<b>Segment liabilities</b>		
Real estate	105,255.67	82,396.35
Contractual and manufacturing	2,177.04	6,124.60
<b>Total segment liabilities</b>	<b>107,432.71</b>	<b>88,520.95</b>
Unallocated liabilities	13,813.04	19,766.82
<b>Total liabilities</b>	<b>121,245.75</b>	<b>108,287.77</b>
<b>Capital employed</b>		
Real estate	21,382.20	25,634.51
Contractual and manufacturing	6,321.43	1,953.59
Unallocated capital employed	16,515.41	(4,008.83)
<b>Total capital employed</b>	<b>44,219.04</b>	<b>23,579.27</b>

Current taxes, deferred taxes and certain financial assets and liabilities are considered as unallocated as they are also managed on a Company basis:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
<b>Capital expenditure</b>		
Real estate	903.24	1,034.77
Contractual and manufacturing	189.04	71.14
Unallocated capital expenditure	112.66	127.47
<b>Total capital expenditure</b>	<b>1,204.94</b>	<b>1,233.38</b>

Capital expenditure consists of additions of property, plant and equipment, intangible assets, investment property, investment property under development and intangible assets under development.

Information of revenue and non-current operating assets based on location has not been furnished since there are no revenue generated from business activities outside India and there are no non-current operating assets held by the Company outside India.

## SOBHA LIMITED

### NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

(All amounts in ₹ millions, unless otherwise stated)

#### 36 SEGMENT INFORMATION (Cont'd)

##### Reconciliations to amounts reflected in the financial statements

###### (i) Reconciliation of assets

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Segment assets</b>	<b>1,35,136.34</b>	<b>116,109.05</b>
Investment (refer note 8)	4,478.18	4,675.06
Prepaid expenses (refer note 13)	1,890.72	1,629.35
Balances with statutory/government authorities (refer note 13)	1,148.68	749.68
Cash and bank balances (refer note 14 and 15)	16,993.52	6,548.03
Non-current bank balances (refer note 12)	33.98	207.37
Other unallocable assets	5,783.37	1,948.50
<b>Total assets</b>	<b>1,65,464.79</b>	<b>131,867.04</b>

###### (ii) Reconciliation of liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Segment liabilities</b>	<b>107,432.71</b>	<b>88,520.95</b>
Borrowings (refer note 19)	10,861.37	18,586.60
Provisions (refer note 20)	533.59	468.66
Other financial liabilities (refer note 22)	1,020.06	-
Current tax liabilities (net) (refer note 33)	357.50	280.66
Withholding taxes payable (refer note 24)	67.28	98.82
Others payable (refer note 24)	359.25	247.54
Other unallocable liabilities	613.99	84.54
<b>Total liabilities</b>	<b>121,245.75</b>	<b>108,287.77</b>

#### 37 EMPLOYMENT BENEFIT PLANS

##### A. Defined benefit plan

The Company has gratuity as defined benefit retirement plans for its employees. The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity at the rate of 15 days basic salary for each year of service until the retirement age. As at 31 March 2025 and 31 March 2024 the plan assets were invested in insurer managed funds.

##### It is exposed to the following types of risks:

**Interest rate risk:** A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

**Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

## SOBHA LIMITED

### NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

(All amounts in ₹ millions, unless otherwise stated)

**Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

**Asset Liability Matching Risk:** The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

**Mortality risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

**Concentration Risk:** Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very low as insurance companies have to follow stringent regulatory guidelines which mitigate risk.

The following tables set out the the funded status of gratuity plans and amount recognised in the balance sheet for the respective plans:

#### 1. The amounts recognized in the Balance Sheet are as follows:

Particulars	31 March 2025	31 March 2024
Present value of defined benefit obligation at the end of the year	388.58	348.03
<b>Less:</b> Fair value of plan assets as at the end of the year	(5.40)	(4.34)
<b>Net liability recognised in the balance sheet</b>	<b>383.18</b>	<b>343.69</b>

#### 2. Changes in the present value of defined benefit obligation

Particulars	31 March 2025	31 March 2024
Defined benefit obligation as at beginning of the year	348.03	318.73
Current service cost	23.52	22.03
Interest cost	24.85	22.95
Benefits paid	(38.11)	(32.71)
Actuarial loss(gain) due to financial assumption changes	4.11	(10.07)
Actuarial loss due to experience adjustments	26.18	27.10
<b>Defined benefit obligation as at the end of the year</b>	<b>388.58</b>	<b>348.03</b>

#### 3. Changes in the fair value of plan assets

Particulars	31 March 2025	31 March 2024
Fair value as at the beginning of the year	4.34	4.21
Interest on plan assets	0.31	0.30
Actuarial gain	0.16	0.24
Contributions	38.70	32.30
Benefits paid	(38.11)	(32.71)
<b>Fair value as at the end of the year</b>	<b>5.40</b>	<b>4.34</b>

**SOBHA LIMITED****NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**37 EMPLOYMENT BENEFIT PLANS (Cont'd)****4. Net gratuity cost for the reporting years comprises of following components**

Particulars	31 March 2025	31 March 2024
Current service cost	23.53	22.02
Interest cost	24.85	22.95
Interest income	(0.31)	(0.30)
<b>Net Gratuity cost</b>	<b>48.07</b>	<b>44.67</b>

**5. Other comprehensive income**

Particulars	31 March 2025	31 March 2024
Actuarial loss on defined benefit obligation	(30.29)	(17.03)
Return on plan assets excluding interest income	0.16	0.24
<b>Loss recognised in other comprehensive income</b>	<b>(30.13)</b>	<b>(16.79)</b>

**6. Experience adjustment:**

Particulars	31 March 2025	31 March 2024
On plan defined benefit obligation loss	26.18	27.10
On plan assets gain	0.16	0.24

**7. Investment Details**

The major categories of plan assets as a percentage of the fair value of the total plan assets are as follows:

Particulars	31 March 2025	31 March 2024
Investment in insurance fund	100%	100%

**8. Actuarial assumptions**

Particulars	31 March 2025	31 March 2024
Discount rate (p.a)	6.54%	7.14%
Future salary growth (p.a)	10.00%	10.00%
Weighted Average Duration of the Defined Benefit Obligation (years)	3	3
Attrition rate (p.a)	35.00%	35.00%

**9. Sensitivity Analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	31 March 2025		31 March 2024	
	Decrease	Increase	Decrease	Increase
Discount rate (+/-1%)	6.78	7.15	6.01	6.33
Salary growth rate (-/+ 1%)	5.68	5.79	5.07	5.18
Attrition rate (+/-1%)	1.23	1.28	0.83	0.86

The sensitivity analyses above have been determined based on a method that extrapolates the impact on projected benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

## **SOBHA LIMITED**

### **NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

#### **37 EMPLOYMENT BENEFIT PLANS (Cont'd)**

##### **10. Maturity profile of defined benefit obligation**

<b>Particulars</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
Within the next 12 months	132.32	116.70
Between 2 and 5 years	239.21	219.88
Between 6 and 10 years	61.54	56.02
Beyond 10 years	10.51	9.50
<b>Total expected payments</b>	<b>443.58</b>	<b>402.10</b>

Expected contribution in the next year ₹ 124.79.

#### **B. Defined contribution plan**

The Company makes contribution of statutory provident fund as per Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and Employees State Insurance Scheme as per the Employees' State Insurance Act, 1948. The Company has recognized the following amounts in the Statement of Profit and Loss under defined contribution plan whereby the Company is required to contribute a specified percentage of the payroll costs to fund the benefits:

<b>Particulars</b>	<b>Year ended 31 March 2025</b>	<b>Year ended 31 March 2024</b>
Employer's contribution to provident fund	114.70	96.27
Employer's contribution to Employees' state insurance scheme	1.22	1.01
Contribution to Superannuation Fund	0.20	0.20
<b>Total</b>	<b>116.12</b>	<b>97.48</b>

#### **38 LEASES**

##### **A. The Company as a lessor**

###### **Assets given on operating lease:**

The Company has entered into operating lease agreements with its lessees. Total lease rental income recognized in the statement of profit and loss for the year ended 31 March 2025 is ₹ 427.57 (31 March 2024: ₹ 374.80).

The future minimum lease receivables under operating leases in aggregate are as follows:

<b>Year</b>	<b>As at 31 March 2025</b>	<b>As at 31 March 2024</b>
FY 2024-25	394.16	283.82
FY 2025-26	362.70	146.57
FY 2026-27	321.06	119.84
FY 2027-28	327.15	107.57
FY 2028-29	281.46	48.41
FY 2029-30	105.47	-
More than 5 years	44.25	59.09
<b>Total</b>	<b>1,836.25</b>	<b>765.30</b>

**SOBHA LIMITED****NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**38 LEASES (Cont'd)****B. The Company as a lessee**

The Company has leases for building, vehicles and plant and machinery. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability except for lease on buildings for which it was agreed that the company shall pay a security deposit which shall be adjusted to the minimum lease payments and due to which no lease liability in the same was created and the amount given as security deposit is treated as Right of use asset depreciated on a straight line basis over the lease period. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Company has presented its right-of-use assets in the balance sheet separately from other assets.

Lease arrangements for vehicles contain an option to extend the lease for a further term till the vehicle is handed over to the lessor after the end of lease term as per agreement or for a fixed tenure of 3 to 9 months as the case may be as per the requirement of Lessee. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over Factory buildings, the Company must repair and maintain those properties in a good state and return the properties with all connections, sanitary, water and drainage fittings and fixtures as it may exist on the relevant date.

**a. Right of use assets:**

<b>Particulars</b>	<b>Other buildings</b>	<b>Vehicles</b>	<b>Plant and machinery</b>	<b>Total</b>
<b>Cost</b>				
<b>As at 1 April 2023</b>	<b>175.50</b>	<b>163.82</b>	<b>90.33</b>	<b>429.65</b>
Additions during the year	-	17.36	60.96	78.32
Disposal during the year	-	(12.01)	(90.33)	(102.34)
<b>As at 31 March 2024</b>	<b>175.50</b>	<b>169.17</b>	<b>60.96</b>	<b>405.63</b>
Additions during the year	-	69.73	-	69.73
Disposal during the year	-	(16.70)	-	(16.70)
<b>As at 31 March 2025</b>	<b>175.50</b>	<b>222.20</b>	<b>60.96</b>	<b>458.66</b>
<b>Accumulated amortisation</b>				
<b>As at 1 April 2023</b>	<b>58.50</b>	<b>96.01</b>	<b>87.78</b>	<b>242.29</b>
Charge for the year	19.50	26.77	14.12	60.39
Disposal during the year	-	(12.01)	(90.33)	(102.34)
<b>As at 31 March 2024</b>	<b>78.00</b>	<b>110.77</b>	<b>11.57</b>	<b>200.34</b>
Charge for the year	19.51	30.15	29.10	78.76
Disposal during the year	-	(16.70)	-	(16.70)
<b>As at 31 March 2025</b>	<b>97.51</b>	<b>124.22</b>	<b>40.67</b>	<b>262.40</b>
<b>Carrying amount</b>				
<b>As at 31 March 2025</b>	<b>77.99</b>	<b>97.98</b>	<b>20.29</b>	<b>196.26</b>
<b>As at 31 March 2024</b>	<b>97.50</b>	<b>58.40</b>	<b>49.39</b>	<b>205.29</b>

**SOBHA LIMITED****NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**38 LEASES (Cont'd)****b. Set out below are the carrying amounts of lease liabilities and the movements during the year:**

<b>Particulars</b>	<b>Amount</b>
<b>As on 1 April 2023</b>	<b>232.81</b>
Additions during the year	
- Under inventory	78.32
- Under ROU	-
Interest expense for the year	25.12
Payment of lease liabilities	(74.01)
<b>As on 31 March 2024</b>	<b>262.24</b>
Additions during the year	
- Under inventory	250.85
- Under ROU	69.73
Interest expense for the year	25.54
Payment of lease liabilities	(82.50)
<b>As on 31 March 2025</b>	<b>525.86</b>

**c. The following are the amounts recognised in the profit & loss**

<b>Particulars</b>	<b>Year ended 31 March 2025</b>	<b>Year ended 31 March 2024</b>
Depreciation expenses of right-of-use assets	78.76	60.39
Interest expenses on lease liabilities	25.54	25.12
Expenses relating to short-term leases	186.38	357.53
Expenses relating to lease of low-value assets	49.19	80.26
<b>Total amount recognised in the profit &amp; loss</b>	<b>339.87</b>	<b>523.30</b>
<b>Total cash out flows towards leases</b>	<b>318.07</b>	<b>511.80</b>

Lease term of the above referred leases range from 11 months to 63 years.

**d. Information about extension and termination options**

<b>Right of use assets</b>	<b>Number of leases</b>	<b>Range of remaining term (in years)</b>	<b>Average remaining lease term (in years)</b>	<b>Number of leases with extension options</b>	<b>Number of leases with purchase option</b>	<b>Number of leases with termination option</b>
Other buildings	1	4.00	4.00	1.00	-	-
Plant and Machinery	12	0.96 to 0.94	1.70	-	11	-
Land	2	90	90	-	-	-
Vehicles	62	0.18 to 4.74	4.93	62.00	62	62

## SOBHA LIMITED

### NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

(All amounts in ₹ millions, unless otherwise stated)

#### 38 LEASES (Cont'd)

##### e. The maturity profile for lease liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Current</b>	116.24	48.80
Non Current	409.62	213.44
Discounting rate applied to lease liabilities is the incremental borrowing rate applicable to the Company - 10%		
<b>Lease Liabilities:</b>		
The maturity analysis of lease liabilities are closed below:		
Not Later than one year	141.67	72.80
Later than one year and not later than five year	154.37	136.41
Later than five year	628.10	704.29
<b>Less: future finance expenses</b>	(398.28)	(651.26)
<b>Total</b>	<b>525.86</b>	<b>262.24</b>

#### 39 CONTINGENT LIABILITIES AND COMMITMENTS

##### A. Contingent liabilities (to the extent not provided for)

Particulars	As at 31 March 2025	As at 31 March 2024
i Income tax matters in dispute (Refer Note 1 & 5)	672.00	326.83
ii Value added tax, Service tax, Goods and services tax and customs matters in dispute (Refer Note 2)	1,415.84	1,290.33
iii Customer related cases and complaints (Refer Note 3)	2.00	2.00
iv Matters before prevention of money laundering adjudicating authority (Refer Note 4)	2,016.05	2,016.05
	<b>4,105.89</b>	<b>3,635.21</b>

**Note:** Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

The Company does not expect the outcome of these proceeding to have a material adverse effect on its financial position. The Company does not expect any reimbursement in respect of above contingent liability.

- 1) The Income Tax Authorities have disputed the tax computation for certain years, which are pending before various forums. Based on the grounds of the appeals, the management believes that there is a reasonably strong likelihood of obtaining a favourable order. Any income, which may arise out of such litigations will be recognised only on the receipt basis or where right to receive such income is clearly established. Pending the final decisions on the above matter, no adjustment has been made in these standalone financial statements.
- 2) There are various disputes pending with the authorities of customs, service tax and value added tax and GST. The Company is contesting these demands raised by authorities and are pending at various appellate authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its standalone financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

## **SOBHA LIMITED**

### **NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

#### **39 CONTINGENT LIABILITIES AND COMMITMENTS (Cont'd)**

- 3) There are various litigations going on/ complaints filed against the Company primarily in Consumer Redressal Forum and under the Real Estate Regulation Act 2016. The Company is contesting such litigations with the respective appellate authorities. The management has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required in its standalone financial statements. For most number of litigations/ complaints, based on the grounds of the appeals, the management believes that there is a reasonably strong likelihood of succeeding before these authorities and hence, pending the final decisions on the above matters, no adjustment has been made in these standalone financial statements.
- 4) The Company had entered into a Joint Development Arrangement with certain land owners in Gurugram, Haryana, in earlier years. In respect of this transaction, the Enforcement Directorate ('ED') after due investigation has filed a complaint with Adjudicating Authority, Prevention of Money Laundering ('AA-PML'), alleging certain irregularities in respect of the manner of allotment and pricing of certain plots under this project or payment of applicable fees and charges by the Company or the landowners, with respect to the terms and conditions mentioned in the development policy of Haryana Development and Regulation of Urban Areas Act (HDRUAA), 1975 and the bilateral agreement between the land owners and Directorate of Town and Country Planning, Haryana (DTCP) resulting in provisional attachment under the Prevention of Money Laundering Act, 2002 ('PMLA') of land parcels with value of ₹ 2,016.05, held by Technobuild Developers Private Limited ('TDPL'). The Company has entered into a Memorandum of Understanding ('MoU') with TDPL for acquiring land parcels using advances extended by the Company. As per the MoU, TDPL and its affiliates cannot transfer land parcels without prior approval of the Company and the Company has absolute rights over land parcels acquired by TDPL and its affiliates acquired from such advance given by the Company.

During the previous years, the Company was in receipt of Show Cause Notice (SCN) under the PMLA from AA-PML and the Company had duly filed detailed responses to allegations made in SCN. However, AA-PMLA has passed an order confirming the provisional attachment of the aforesaid land parcels and the Company has duly filed an appeal before The Appellate Tribunal against the AA-PML order under Section 26 of the PMLA.

The Management, based on its overall assessment and independent legal opinion obtained, believes that these transactions have been carried out in accordance with all the applicable laws and regulations and the said bilateral agreement and has not identified any adverse material impact to the standalone audited financial statements as at 31 March 2025 or for earlier periods including the recoverability of land advance given against such provisionally attached ₹ 2,016.05 land parcels held by TDPL.

- 5) The Income Tax Department ("the Department") conducted a Search under Section 132 of the Income Tax Act ('IT Act') ("the Search") on the Company and certain group companies during March 2023. The Company and certain group companies at the time of search and subsequently has co-operated with the department and responded to the necessary clarifications, data and details as sought by the Department.

During the current year and previous year, the Company had received multiple demand orders for assessment years beginning from AY 2015-16 to AY 2023-24 raising an aggregate demand of ₹ 672 (reduced vide rectification order under section 154 of the IT Act, mainly on account of adjustment of credit under section 115JAA of the IT Act of tax paid in earlier years) by disallowing certain expenses and adding certain incomes during such periods, against which the Company had filed multiple appeals before the Hon'ble Commissioner of Income Tax (Appeals), Bengaluru ('CIT appeals').

While the uncertainty exists regarding the outcomes of the legal proceedings, the Management of the Company has evaluated the demand orders after considering all available records and facts known to it and based on an independent legal review and opinion from external legal councils and believes that the Company can succeed in the appeals filed against the aforesaid demand orders and accordingly has not identified any adjustments to the current or prior period standalone audited financial statements.

- 6) In earlier years, one of the customers of Sobha Assets Private Limited (SAPL), a wholly owned subsidiary of the Company has terminated a project development contract entered by it and demanded compensation of ₹ 2,956.13 in addition to forfeiture of ₹ 227.32 performance guarantee and ₹ 26.00 of deposits alleging that SAPL has not commenced the

## **SOBHA LIMITED**

### **NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

#### **39 CONTINGENT LIABILITIES AND COMMITMENTS (Cont'd)**

contract work. The carrying value of aforesaid project related assets/receivables as at 31 March 2025 in the book of the Company and SAPL is ₹ 24.10 and ₹ 330.00 respectively. SAPL has filed arbitration petition before the arbitrator challenging the termination and its grounds, against the customer towards business loss and other receivables. The Company based on its overall assessment and independent legal opinion, believes that the aforesaid termination is illegal and will not have any adverse impact to the standalone audited financial statements and accordingly no provision has been made.

- 7) In earlier years, the Company, during the process of renewal of fire clearances for one of the project, procured by an entrusted person, found the fire NOC and fire clearances submitted to local municipal body to be defective. On becoming aware of this fact, the Company had immediately taken remedial steps and obtained renewed fire NOC and fire clearances, which were then resubmitted with the local municipal body for regularization. However, the local municipal body had passed an order dated 21 January 2023 revoking/cancelling the modified sanction plan ('Plan') and occupancy certificate ('OC') for the project, based on a complaint being filed upon by one of the unit holders of such project. The Company had immediately filed an appeal with Karnataka Appellate Tribunal ('KAT') challenging the above order, and KAT had passed an interim order dated 1 February 2023 granting stay of revocation/cancellation of Plan and OC.

During the previous year, the Chief Metropolitan Magistrate ('CMM'), Bengaluru, has passed an order dated 19 September 2023 ('impugned order') to register a calendar case for the offences punishable under Indian Penal Code ('IPC') against the Company and few employees of the Company, based on a separate complaint filed with the CMM by the aforementioned unit holder. The Company has filed a petition before Hon'ble High court of Karnataka praying for quashing of the complaint, the impugned order and the calendar case, wherein, the High court of Karnataka has passed an interim order dated 11 October 2023 staying the impugned order and the calendar case. The Management, based on its overall assessment and independent legal opinion obtained, believes that allegations made by the unit holder are baseless, false and not sustainable and the impugned order suffers from arbitrariness and liable to be quashed under section 482 of the code of criminal procedure, 1973. Accordingly, the Company believes that outcome of the above proceedings will not result in any adverse impact on the standalone audited financial results.

- 8) The Company is involved in certain litigations for lands being developed/acquired by it for construction purposes, either through a Joint Development Agreement or through outright purchases. These cases are pending with the Civil Courts and scheduled for hearings. After considering the facts and circumstances of each case in detail, and post consideration of the opinions of the in-house legal council, management believes that these litigations will not have a material effect on the standalone financial statements.
- 9) The Company has certain litigations pending at various forums/courts against various authorities including the Forest department, Karnataka State Pollution Control Board (PCB), local municipal departments on certain projects undertaken by it. Also, certain claims have been laid upon the company under the Land acquisition act, against which the Company has filed writ petitions and obtained stay orders from the Honourable High Courts. The impact of all such litigations and claims is not quantifiable. Based on internal assessment, and post consideration of the opinion of its in-house legal counsel, the management is confident that the matter would be decided in its favour, accordingly no adjustment has been made in these standalone financial statements.

#### **B. Commitments**

- (a) The contractual commitments pending for the acquisition of property, plant and equipment and intangible assets as at 31 March 2025 is ₹ 187.66 (31 March 2024: ₹ 502.18).
- (b) The Company has entered into an aircraft usage agreement with a party wherein the Company along with certain other parties has committed minimum usage of aircraft. During the year ended 31 March 2025, the Company has entered into a settlement agreement and written off ₹ 111.52 (31 March 2024 - ₹ 49.65) towards aircraft usage. Accordingly, no further commitment exists as at 31 March 2025.
- (c) As at 31 March 2025, the estimated amount of contract remaining to be executed on capital account (investment property under development) not provided for is ₹ 32.69 (As at 31 March 2024: Nil)

**SOBHA LIMITED****NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**40 FAIR VALUE MEASUREMENTS****a. The carrying amounts of financial instruments by categories is as follows:**

Particulars	Note	As at 31 March 2025			As at 31 March 2024		
		At cost	Fair value through profit or loss	At amortised cost	At cost	Fair value through profit or loss	At amortised cost
<b>Financial assets</b>							
Investments (*)	8	-	-	-	-	-	-
Trade receivables	10	-	-	2,806.42	-	-	2,369.39
Loans	11	-	-	2,406.24	-	-	1,213.68
Cash and bank balances	14&15	-	-	16,993.52	-	-	6,548.03
Other financials assets	12&16	-	-	7,119.31	-	-	5,072.01
<b>Total</b>		-	-	<b>29,325.49</b>	-	-	<b>15,203.11</b>
<b>Financial liabilities</b>							
Borrowings	19	-	-	10,861.37	-	-	18,586.60
Lease Liabilities	38	-	-	525.86	-	-	262.24
Trade payables	23	-	-	5,613.64	-	-	6,133.05
Other financial liabilities	20	-	-	6,737.68	-	-	5,670.92
<b>Total</b>		-	-	<b>23,738.55</b>	-	-	<b>30,652.81</b>

(\*) Investment in equity shares and preference shares of subsidiaries are measured as per Ind AS 27, 'separate financial statements' and have been excluded above.

**b. Fair value hierarchy**

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

Particulars	As at 31 March 2025				As at 31 March 2024			
	Carrying amount	Fair value			Carrying amount	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Investment property (disclosure)	2,812.20	-	1,864.30	4,903.00	2,725.20	-	1,443.60	4,557.00
	<b>2,812.20</b>	-	<b>1,864.30</b>	<b>4,903.00</b>	<b>2,725.20</b>	-	<b>1,443.60</b>	<b>4,557.00</b>

**Notes:**

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

There have been no transfers between the levels during the year.

Financial instruments such as trade receivables, loans, cash and other financial assets, borrowings, lease liabilities, trade payables and other financial liabilities are considered to be same as their fair values, due to their short term nature. For financial assets and liabilities that are measured at amortised cost, the carrying amounts are equal to the fair values.

## SOBHA LIMITED

### NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

(All amounts in ₹ millions, unless otherwise stated)

#### 40 FAIR VALUE MEASUREMENTS (Cont'd)

##### Valuation Method used for Level 3 Valuations

Particulars	Valuation Technique	Unobservable input	Relationship of unobservable input with fair value
Fair value of Investment property (disclosure only)	Income approach (Discounted cash flow method)	Discount rate	Increase/decrease in discount rate would result in decrease/increase in fair value
		Expected vacancy rates	Increase/decrease in vacancy rate would result in decrease/increase in fair value
		Rental growth rate	Increase/decrease in rental growth rate would result in increase/decrease in fair value

#### 41 FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities comprise borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance and support the Company's operations. The Company's principal financial assets include instruments, trade and other receivables, cash and bank balances, land advances and refundable deposits that derive directly from its operations. The Company has exposure to the following risks arising from financial instruments.

Risk	Exposure arising from
Market Risk-Interest rate risk (A)	Borrowings
Credit Risk (B)	Trade receivables, cash and cash equivalents, bank balances, and other deposits and investments
Liquidity Risk (C)	Borrowings, trade payables, and other financial liabilities

#### Risk Management policy

The Company's senior management oversees the management of these risks. The Company's senior management is supported by a risk management committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The risk management committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks.

##### A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of: interest rate risk and other price risk, such as equity price risk and commodity/real estate risk. The Company has a foreign currency exposure as at balance sheet date, which is not material.

The sensitivity analysis in the following sections relate to the position as at 31 March 2025 and 31 March 2024. The sensitivity analyses have been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt. The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post retirement obligations.

The below assumption has been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2025 and 31 March 2024.

##### (i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate of borrowings. The Company does not enter into any interest rate swaps.

**SOBHA LIMITED****NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**41 FINANCIAL RISK MANAGEMENT (Cont'd)**

Below is the overall exposure of the Company to interest rate risk:

Particulars	As at 31 March 2025	As at 31 March 2024
Variable rate borrowings	10,861.37	18,586.60

**Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/decrease in interest rate	Effect on profit before tax (*)
<b>31 March 2025</b>		
INR	+1%	(108.61)
INR	-1%	108.61
<b>31 March 2024</b>		
INR	+1%	(185.86)
INR	-1%	185.86

(\*)determined on gross basis i.e. with out considering inventorisation of such borrowing cost.

**(ii) Currency risk**

Foreign currency risk is the risk arising from exposure to foreign currency movement that will impact the Company's future cash flows and profitability in the ordinary course of business. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to its import in foreign currency. The details of trade payables,denominated in foreign currency and in ₹ are as follows:

**Trade payables**

Particulars	As at 31 March 2025					As at 31 March 2024	
	QAR	SGD	AED	EUR	USD	EUR	USD
Amount in foreign currency	0.00	0.00	0.00	-	0.07	0.16	0.02
Amount in ₹	0.06	0.13	0.10	-	5.99	14.39	1.67

Particulars	As at 31 March 2025	As at 31 March 2024
EUR	92.60	89.95
USD	85.53	83.37
QAR	23.47	NA
AED	23.28	NA
SGD	63.69	NA

## SOBHA LIMITED

### NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

(All amounts in ₹ millions, unless otherwise stated)

#### 41 FINANCIAL RISK MANAGEMENT (Cont'd)

##### Sensitivity analysis

Particulars	Change in foreign currency rate by	Impact on profit or loss and equity			
		As at	As at	As at	As at
		31 March 2025	31 March 2024	31 March 2025	31 March 2024
		Increase in FC exchange rate by		Increase in FC exchange rate by	
USD	5%	(0.30)	(0.08)	0.30	0.08
EUR	5%	-	(0.72)	-	0.72
QAR	5%	(0.01)	-	0.01	-
AED	5%	(0.01)	-	0.01	-
SGD (#)	5%	(0.00)	-	0.00	-

(#) Certain amounts that are required to be presented and do not appear due to rounding off are expressed as "0.00".

##### (iii) Price risk

The Company's exposure to price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets. There are no investments held by the company which are measured at fair value either through profit and loss or fair value through other comprehensive income, hence the Company is not exposed to price risk.

##### B. Credit risk

Credit risk is the risk that counter/party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk primarily from trade receivables (net of advances/payables), refundable joint development deposits, security deposits, loans and other financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counter/parties and incorporates this information into its credit risk controls. The carrying amounts of financial assets, unbilled revenue and contract assets represent the maximum credit exposure.

The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. Exposure to customers is diversified and there is no single customer contributing more than 10% of outstanding trade receivables and unbilled revenues.

The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial/contract assets based on the assumptions, inputs and factors specific to the class of financial/contract assets.

- (a) Low credit risk
- (b) Moderate credit risk
- (c) High credit risk

The Company determines that the movement of internal credit risk rating from moderate credit risk to the high risk as significant increase in credit risk from the initial recognition.

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

## **SOBHA LIMITED**

### **NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

#### **41 FINANCIAL RISK MANAGEMENT (Cont'd)**

The Company provides for expected credit loss based on the following:

<b>Category</b>	<b>Asset class exposed to credit risk</b>	<b>Allowance for expected credit loss</b>
Low credit risk medium credit risk	Loans, trade receivables (Category A and B), cash and cash equivalents, other financial assets measured at amortised cost	12 Months expected credit loss or specific allowance whichever is higher Lifetime expected credit loss
High credit risk	Trade receivables (Category C)	Life time expected credit loss or specific allowance

#### **a. Management of Credit risk**

##### ***i. Cash and cash equivalents and bank deposits***

Credit risk related to cash and cash equivalents and bank deposits is managed by only selecting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

##### ***ii. Trade receivables***

The Company divides its receivables in the following categories based on the credit risk associated with such categories:

**Category A:** Receivables resulting from sale of properties: Customer credit risk is managed by requiring customers to pay advances before transfer of ownership, therefore, substantially eliminating the Company's credit risk in this respect. Company recognises impairment on a specific identification basis for debtors where no security exists.

**Category B:** Receivables from related parties: The Company has performs construction services for its subsidiaries which have individual real estate projects. Credit risk in such cases is managed as control is established; Also, such subsidiaries manage their credit risks by requiring their customers to pay in advance, before transfer of ownership. For other related parties, the Company actively manages such credit risk by an established process of inter-party reconciliations, follow ups and active business at an arms length price.

**Category C:** Receivables resulting from other than sale of properties: Credit risk is managed by each business unit (primarily pertaining to the contractual and manufacturing business subdivisions) subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. The impairment analysis is performed at each reporting date on an individual basis for major clients, who have a history of prompt payment for more than 5 years with the Company. For other customers, impairment is tested collectively based on the business sub-segment in which they operate. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company's credit period generally ranges from 30-90 days.

##### ***iii. Other financial assets measured at amortised cost***

Other financial assets measured at amortised cost includes refundable deposits paid under joint development arrangements, security deposits, loans to related parties, and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system are in place ensure the amounts are within defined limits.

#### **a. Recognition of Expected credit losses**

##### ***i. Financial assets with credit risk classified as 'low'/'medium'***

Company provides for expected credit losses on financial assets other than trade receivables by assessing individual financial instruments for expectation of any credit losses.

For cash & cash equivalents, other bank balances and derivative financial instruments - Since the Company deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, derivative financial instruments, other bank balances and bank deposits is evaluated as very low.

For refundable deposits (RD) under joint development arrangements (JDA) and security deposits - Credit risk is considered low because the Company is in possession of the underlying asset.

**SOBHA LIMITED****NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**41 FINANCIAL RISK MANAGEMENT (Cont'd)**

For trade receivables (category A and B) and other financial assets - Credit risk is evaluated based on Company knowledge of the credit worthiness of those parties and loss allowance is measured. For such financial assets, the Company policy is to provide for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses specific allowance upon significant increase in credit risk.

Particulars	Note no.	Gross carrying amount	Expected probability of default	Expected credit losses	Carrying amount net of impairment allowance
<b>31 March 2025</b>					
Cash and bank balances	14 & 15	16,993.52	0.00%	-	16,993.52
Trade receivables (Category A and B)	10	1,598.49	0.00%	-	1,598.49
Loans	11	2,414.58	0.00%	8.34	2,406.24
Refundable deposits under JDA	12 & 16	6,238.59	0.00%	-	6,238.59
Other financials assets	12 & 16	880.72	0.00%	-	880.72
Unbilled revenue	13	1,320.89	0.00%	-	1,320.89
<b>31 March 2024</b>					
Cash and bank balances	14 & 15	6,548.03	0.00%	-	6,548.03
Trade receivables (Category A and B)	10	841.70	0.00%	29.12	812.58
Loans	11	1,222.02	0.00%	8.34	1,213.68
Refundable deposits under JDA	12 & 16	3,247.95	0.00%	-	3,247.95
Other financials assets	12 & 16	1,824.06	0.00%	-	1,824.06
Unbilled revenue	13	1,686.48	0.00%	-	1,686.48

**ii. Financial assets with credit risk classified as 'high'**

For trade receivables (Category C) - The Company uses an allowance matrix to measure the expected credit losses of such trade and finance receivables. The measurement is made collectively based on the business sub-segment in which the respective customers operate. Loss rates are separately measured for customers which have a history of prompt payment, and are not significantly past due from payment. Based on the industry practices and the business environment in which the entity operates, management considers that the trade receivables and loans are in default (credit impaired) if the payments are more than 730 days past due (Net of advances/payables). Loss rates are based on actual credit loss experience over the past eleven quarters. In the current year, the Company has revised its estimation of loss rates.

**Expected credit losses measured on the simplified approach**

31 March 2025	Weighted average loss rate	Gross carrying amount	Loss Allowance	Net carrying amount after loss allowance
Current (Not past due)	2%	370.68	6.60	364.08
Upto 90 days past due	3%	630.29	18.28	612.01
91 - 180 days past due	10%	77.77	7.95	69.82
181 - 270 days past due	23%	64.32	14.49	49.83
271 - 360 days past due	26%	121.29	31.44	89.85
361 - 730 days past due	66%	64.76	42.42	22.34
More than 730 days past due	100%	112.08	112.08	-

**SOBHA LIMITED****NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**41 FINANCIAL RISK MANAGEMENT (Cont'd)****Expected credit losses measured on the simplified approach (Cont'd)**

<b>31 March 2024</b>	<b>Weighted average loss rate</b>	<b>Gross carrying amount</b>	<b>Loss Allowance</b>	<b>Net carrying amount after loss allowance</b>
Current (Not past due)	2%	606.49	10.56	595.93
Upto 90 days past due	2%	575.08	13.66	561.42
91 - 180 days past due	4%	175.15	6.68	168.47
181 - 270 days past due	18%	201.12	35.26	165.86
271 - 360 days past due	25%	35.19	8.80	26.39
361 - 730 days past due	71%	124.86	89.04	35.82
More than 730 days past due	99%	385.88	382.95	2.93

**Movement in allowance for credit losses of Trade receivables**

<b>Particulars</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
Opening balance	576.08	601.47
Amounts written off	(372.17)	(46.04)
Net remeasurement of loss allowance	29.35	20.65
<b>Closing balance</b>	<b>233.26</b>	<b>576.08</b>

**Movement in allowance for credit losses of others**

<b>Particulars</b>	<b>Loans</b>	
	<b>31 March 2025</b>	<b>31 March 2024</b>
Opening balance	8.34	-
Amounts written off	-	-
Amounts written back	-	-
Net remeasurement of loss allowance	-	8.34
<b>Closing balance</b>	<b>8.34</b>	<b>8.34</b>

**Financial instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counter/parties and within credit limits assigned to each counter/party. Counter/party credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counter/party's potential failure to make payments. The Company's maximum exposure to credit risk for the components of the statement of financial position at 31 March 2025 and 31 March 2024 is the carrying amounts.

**C. Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

## **SOBHA LIMITED**

### **NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

#### **41 FINANCIAL RISK MANAGEMENT (Cont'd)**

The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

<b>31 March 2025</b>	<b>On demand</b>	<b>Less than 1 year</b>	<b>1 to 5 years</b>	<b>&gt; 5 years</b>	<b>Total</b>
Borrowings (refer note 19)	2,303.19	1,234.87	6,431.69	891.62	10,861.37
Trade payables (refer note 23)	-	5,613.64	-	-	5,613.64
Other financial liabilities (refer note 20)	-	5,717.62	-	-	5,717.62
Lease liabilities (refer note 38)	-	141.67	154.37	628.10	924.14
Financial guarantee contracts (*)	-	998.78	-	-	998.78
	<b>2,303.19</b>	<b>13,706.58</b>	<b>6,586.06</b>	<b>1,519.72</b>	<b>24,115.55</b>

<b>31 March 2024</b>	<b>On demand</b>	<b>Less than 1 year</b>	<b>1 to 5 years</b>	<b>&gt; 5 years</b>	<b>Total</b>
Borrowings (refer note 19)	6,306.16	4,322.12	9,632.47	805.85	21,066.60
Trade payables (refer note 23)	-	6,133.05	-	-	6,133.05
Other financial liabilities (refer note 20)	-	5,670.92	-	-	5,670.92
Lease liabilities (refer note 38)	-	72.80	136.41	704.29	913.50
Financial guarantee contracts (*)	-	998.78	-	-	998.78
	<b>6,306.16</b>	<b>17,197.67</b>	<b>9,768.88</b>	<b>1,510.14</b>	<b>34,782.85</b>

(\*)Based on the maximum amount that can be called for under the financial guarantee contract

#### **42 CAPITAL MANAGEMENT**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing borrowings.

<b>Particulars</b>	<b>As at 31 March 2025</b>	<b>As at 31 March 2024</b>
Borrowings (long-term and short-term) (Note 20)	10,861.37	18,586.60
Other financial liabilities (interest accrued but not due) (Note 21)	27.34	16.23
<b>Net debt</b>	<b>10,888.71</b>	<b>18,602.83</b>

## SOBHA LIMITED

### NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

(All amounts in ₹ millions, unless otherwise stated)

#### 42 CAPITAL MANAGEMENT (Cont'd)

Particulars	As at 31 March 2025	As at 31 March 2024
Equity share capital (Note 17)	1,069.36	948.46
Other equity (Note 18)	43,149.68	22,630.81
<b>Total capital</b>	<b>44,219.04</b>	<b>23,579.27</b>
<b>Capital and net debt</b>	<b>55,107.75</b>	<b>42,182.10</b>
Gearing ratio	19.76%	44.10%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2025 and 31 March 2024.

#### 43 ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars	As at 31 March 2025	As at 31 March 2024
<b>A. Non-current</b>		
Property, plant and equipment	1,207.14	908.50
Investment property	2,435.53	1,796.95
Financial assets		
Trade receivables	540.53	393.45
Other financial assets		
Fixed deposits with banks with maturity more than 12 months	-	10.11
<b>Total non-current assets</b>	<b>4,183.20</b>	<b>3,109.01</b>
<b>B. Current</b>		
Inventories	27,680.64	39,441.95
Financial assets		
Trade receivables	1,543.02	1,906.89
Cash and cash equivalents	18.82	5.80
Bank balance other than cash and cash equivalents	112.60	91.20
Other current assets	398.13	1,297.98
<b>Total current assets</b>	<b>29,753.21</b>	<b>42,743.82</b>
<b>Total assets pledged as security</b>	<b>33,936.41</b>	<b>45,852.83</b>

**SOBHA LIMITED****NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**44 RATIOS**

Ratios	Numerator	Denominator	As at 31 March 2025	As at 31 March 2024	% of change	Explanation for change in ratio of more than 25%
<b>Liquidity ratio</b>						
Current ratio	Current Assets	Current Liabilities	1.25	1.06	17.52%	NA
<b>Solvency ratio</b>						
Debt-Equity ratio	Total Debt (*)	Total Equity	0.25	0.79	(68.79%)	Due to repayment of significant portion of borrowings out of the proceeds from the Rights Issue
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	0.28	0.40	(29.28%)	Due to increased principal repayments
<b>Profitability ratio</b>						
Return on Equity ratio	Net Profits after taxes	Average Shareholder's Equity	0.03	0.02	67.04%	Due to the increase in net profit
Net Profit ratio	Net Profits after taxes	Revenue from operations	0.03	0.02	77.32%	The growth is attributable to an increase in turnover and the recognition of revenue from higher-margin projects
Return on Capital Employed	Earnings before interest (^) and taxes	Net Worth + Total Debt (*) + Deferred Tax Liability	6%	6%	(4.14%)	NA
Return on Investment	Interest income on bank deposits	Fixed deposit with bank	4%	4%	(14.14%)	NA

## SOBHA LIMITED

### NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

(All amounts in ₹ millions, unless otherwise stated)

#### 44 RATIO (Cont'd)

Ratios	Numerator	Denominator	As at 31 March 2025	As at 31 March 2024	% of change	Explanation for change in ratio of more than 25%
<b>Utilisation ratio</b>						
Trade Receivable Turnover Ratio	Revenue from operations (^)	Average Trade Receivable	3.49	3.31	5.58%	NA
Inventory Turnover ratio	Cost of goods sold	Average Inventory	0.38	0.31	23.19%	NA
Trade Payable Turnover Ratio	Purchase of project materials, sub contractor cost, other expenses	Average Trade Payables	5.40	4.49	20.29%	NA
Net Capital Turnover Ratio	Revenue from operations	Working capital = Current assets – Current liabilities	1.44	4.73	-69.49%	Due to decrease in borrowings contributed to the enhancement of net working capital

(\*) Includes Interest accrued but not due on borrowings.

(^) Excludes Income from of constructed properties, plots and other development activities.

(^^) Net of inventorisation.

#### 45 RIGHTS ISSUE OF EQUITY SHARES

- a) The Board of Directors of the Company (the "Board") on 12 June 2024 approved an issue of upto 12,107,981 equity shares of face value of ₹ 10 (in rupees) each of the Company ("rights equity shares") for cash at a price of ₹ 1,651 (in rupees) per rights equity share (including a premium of ₹ 1,641 (in rupees) per rights equity share) ("issue price") in the ratio of 6 rights equity shares for every 47 fully paid-up equity shares aggregating to ₹ 19,990.28 on record date 19 June 2024.

The Company received ₹ 825.50 (in rupee) per rights equity share (including a premium of ₹ 820.50 (in rupee) per rights equity share) from the eligible equity shareholders on amounting to ₹ 9,995.14. The shares were allotted on 11 July 2024 to the eligible shareholders and shares got listed on 22 July 2024.

The Board at its meeting held on 14 November 2024, approved First and Final call of ₹ 825.50 (in rupees) per rights equity share and fixed 06 December 2024, as the record date for determining eligible shareholders. The Company received call money on 12,072,898 partly paid-up rights equity shares of ₹ 825.50 (in rupees) per share (comprising ₹ 5 (in rupees) towards face value and ₹ 820.50 (in rupees) towards Share Premium) amounting to ₹ 9,947.48.

As at 31 March 2025, 35,083 equity shares were partly paid-up, against which the balance call money is yet to be received.

**SOBHA LIMITED****NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**45 RIGHTS ISSUE OF EQUITY SHARES (Cont'd)****b) Proceeds from the rights issue have been utilised upto 31 March 2025 in the following manner:**

Particulars	Planned	Amount utilised	Unutilised Amount
<b>Objects of issue as stated in final letter of offer:</b>			
a) Repayment of certain borrowings availed by the Company	9,050.00	9,050.00	-
b) Funding certain project related expenses for ongoing projects and forthcoming projects	2,123.58	579.63	1,543.95
c) Purchase of equipment and machinery	2,100.28	233.27	1,867.01
d) Funding acquisition of unidentified land parcels and general corporate purposes*	6,585.86	4,866.78	1,719.08
e) Issue related expenses	130.56	126.32	4.24
<b>Total</b>	<b>19,990.28</b>	<b>14,856.00</b>	<b>5,134.28</b>

\* As per objects of the issue as mentioned in the letter of offer, in case of any difference between the estimated issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes.

The Company has parked the unutilized proceeds of ₹ 5,134.76 lakhs in fixed deposits with banks, the rights issue allotment account and the monitoring account.

There has been no variation or deviation in the utilization of the funds raised by the Company as stated in the letter of offer dated 19 June 2024.

**c) Issue related expenses:**

Particulars	Amount
Debited to securities premium	126.32
Debited to statement of profit and loss	-
<b>Total</b>	<b>126.32</b>

**d) Transactions with any person or entity belonging to the promoter/promoter group which holds 10% or more shareholding in the Company:**

Particulars	Amount
Proceeds from right issue of equity shares	
Sobha Menon	6,661.19
PNC Menon	2,861.27
<b>Total</b>	<b>9,522.46</b>

## **SOBHA LIMITED**

### **NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

#### **46 ADDITIONAL REGULATORY INFORMATION PURSUANT TO THE REQUIREMENT IN DIVISION II OF SCHEDULE III TO THE COMPANIES ACT, 2013**

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any transactions with companies struck off.
- (iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iv) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries); or
  - (b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (v) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
  - (b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vi) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- (vii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

- 47** The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company has used accounting software for maintaining its books of account for the period 1 April 2024 to 19 August 2024 which has a feature of recording audit trail (edit log) facility and the same has been enabled and operated throughout the period for all relevant transactions recorded in the accounting software.

## **SOBHA LIMITED**

### **NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

#### **47 (Cont'd)**

The Company has used another accounting software for maintaining its books of account for the period from 4 August 2024 to 31 March 2025 which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the period for all relevant transactions recorded in the accounting software at the application level except that the audit trail feature was not enabled for certain masters throughout the period and for customer master and vendor master from 4 August 2024 to 18 March 2025. Further, the database of the said accounting software is operated by a third-party software provider. The 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with ISAE 3402, Assurance Reports on Controls at a Service Organization) does not provide any information for any direct changes made at the database level of the said software for the aforesaid period.

Further, the Company has used another software which is operated by a third party service provider for maintenance of payroll records which has a feature of recording audit trail (edit log) facility and the same has been enabled and operated throughout the period for all relevant transactions recorded in the accounting software.

- 48** As the Company is engaged in providing infrastructural facilities as specified in Schedule VI of the Act, provisions of section 186 except sub-section (1) of the Act are not applicable to the Company.
- 49** No material events have occurred between the Balance Sheet date to the date of issue of these standalone financial statements that could affect the values stated in the financial statements as at 31 March 2025.
- 50** Previous year's figures have been regrouped or reclassified wherever necessary to conform with the current year figures. The impact of such reclassification/regrouping is not material to the standalone financial statement.

As per our report of even date

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm registration number: 001076N/N500013

For and on behalf of the Board of Directors of  
**Sobha Limited**

**Manish Agrawal**  
Partner  
Membership No.: 507000

**Ravi PNC Menon**  
Chairman  
DIN: 02070036

**Jagadish Nangineni**  
Managing Director  
DIN: 01871780

**Place:** Bengaluru  
**Date:** 29 May 2025

**Yogesh Bansal**  
Chief Financial Officer

**Bijan Kumar Dash**  
Company Secretary and  
Compliance Officer  
ACS17222

# Independent Auditor's Report

To the Members of Sobha Limited

Report on the Audit of the Consolidated Financial Statements

## OPINION

1. We have audited the accompanying consolidated financial statements of Sobha Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its joint venture, as listed in Annexure I, which comprise the Consolidated Balance Sheet as at 31 March 2025, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group and its joint venture, as at 31 March 2025, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

## BASIS FOR OPINION

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its joint venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 16 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

## EMPHASIS OF MATTER

4. We draw attention to Note 39(5) of the accompanying consolidated financial statements, regarding the search operation carried out by the Income Tax Department ('the department') at various business premises of the Holding Company and certain other group companies during March 2023. The Holding Company has received demand orders from the department for various assessment years, in respect of disallowances of certain expenses and addition of certain incomes, against which the Holding Company has filed appeals before the Hon'ble Commissioner of Income Tax (Appeals), Bengaluru. Given the uncertainty and pending outcome of the legal proceedings, the Holding Company, considering all available records and facts known to it including the independent legal review and opinion from external legal counsels obtained by it, has determined that no adjustments are required to the accompanying Consolidated Financial Statements in respect of the aforesaid demand orders.

Our opinion is not modified in respect of this matter.

## KEY AUDIT MATTER

5. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Independent Auditor's Report (Cont'd)

6. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<b>1. Revenue recognition for sale of residential units</b>	
<p>The Group applies Ind AS 115, Revenue from Contracts with Customers ("Ind AS 115") for recognition of revenue from sale of residential units and revenue from joint development agreements. Refer note 2.4(b)(l)(i) and 25 to the consolidated financial statements for accounting policy and related disclosures.</p> <p>Revenue is recognised upon transfer of control of residential units to customers for an amount which reflects the consideration the Group expects to receive in exchange for those units. The point of revenue recognition is normally based on the terms as included in the intimation for the handover of unit to the customer on completion of the project, and substantial collection is received. The Group recognises the revenue at a point in time upon handover/ deemed handover of the residential units.</p> <p>For revenue contracts forming part of joint development arrangements that are not jointly controlled operations ('JDA'), the revenue from the development and transfer of constructed area/revenue share with corresponding land/ development rights received by the Group is measured at the fair value of the estimated construction service rendered by the Group to the landowner under JDA. Such revenue is recognised over a period of time in accordance with the requirements of Ind AS 115.</p> <p>Ind AS 115 requires significant judgment in determining when 'control' of the residential units is transferred to the customer. Further, for projects executed through JDA, significant estimate is undertaken by management for determining the fair value of the estimated construction service.</p> <p>Considering the significance of management judgements and estimates involved and the materiality of amounts involved, aforementioned revenue recognition is identified as a key audit matter.</p>	<p>Our audit procedures on revenue recognised from sale of residential units included, but were not limited to the following:</p> <ul style="list-style-type: none"> <li>• Evaluated the appropriateness of accounting policy for revenue recognition on sale of residential units in terms of principles enunciated under Ind AS 115;</li> <li>• Obtained and understood the revenue recognition process, evaluated the design and performed test of controls over revenue recognition including determination of point of transfer of control and completion of performance obligations on a sample basis;</li> <li>• Inspected, on a sample basis, underlying customer contracts and handover documents, evidencing the transfer of control of the residential units to the customer based on which revenue is recognised at a point in time;</li> <li>• For projects executed during the year in accordance with JDAs, we have performed the following additional procedures on a sample basis: <ul style="list-style-type: none"> <li>o Obtained and examined the computation of the fair value of the construction service under JDA with reference to project cost estimates and mark up considered by the management;</li> <li>o Obtained the JDAs entered into by the Holding Company, including addendums thereto and compared the ratio of constructed area/ revenue sharing arrangement between the Holding Company and the landowner as mentioned in the agreement to the computation statement prepared by the management;</li> <li>o Tested the computation for recognition of revenue over a period of time for revenue contracts forming part of JDA and management's assessment of stage of completion of projects and project cost estimates.</li> </ul> </li> <li>• Assessed the adequacy of disclosures included in the consolidated financial statements in compliance with the requirements of Ind AS 115.</li> </ul>

## Independent Auditor's Report (Cont'd)

Key audit matter	How our audit addressed the key audit matter
<b>2. Revenue recognition for contractual construction and glazing projects</b>	
<p>The Group recognises revenue over a period of time in accordance with Ind AS 115, Revenue from Contracts with Customers ("Ind AS 115"). Refer note 2.4(b)(l)(ii)(iv) and 25 to the consolidated financial statements for accounting policy and related disclosures.</p> <p>The Group recognises revenue from construction contracts on the basis of stage of completion over a period of time. The recognition of revenue is therefore dependent on estimates in relation to total estimated costs of each such contract, which involves judgement.</p> <p>Significant judgments are also involved in determining when the underlying performance obligations are satisfied and also determining expected losses, when such losses become probable based on the expected total contract cost. Cost contingencies are included in these estimates to take into account specific risks of uncertainties or disputed claims against the Group, arising within each contract. These contingencies are reviewed by the Management on a regular basis throughout the life of the contract and adjusted where appropriate.</p> <p>Considering the significance of management judgements and estimates involved and the materiality of amounts involved, revenue recognition from contractual construction and glazing projects are identified as a key audit matter.</p>	<p>Our audit procedures on revenue recognition for contractual construction and glazing projects included, but were not limited to the following:</p> <ul style="list-style-type: none"> <li>• Evaluated the appropriateness of accounting policy on revenue recognition for contractual construction and glazing projects in terms of principles enunciated under Ind AS 115;</li> <li>• Evaluated the design and tested operating effectiveness of key controls around computation of stage of work completed, raising of invoices and estimating the cost to complete the project;</li> <li>• On a sample basis, tested costs incurred by examining underlying invoices and other applicable documents;</li> <li>• For sample contracts active during the year, verifying the underlying documents including work orders, last invoice, and customer acceptance on the latest RA bills/ Completion letter where applicable;</li> <li>• Verified the mathematical accuracy of management's computation of stage of Completion with respect to Contractual and Glazing projects; and</li> <li>• Assessed the adequacy of disclosures included in the consolidated financial statements in compliance with the requirements of Ind AS 115.</li> </ul>
<b>3. Assessing the recoverability of carrying value of Inventories, advances paid towards land procurement and deposits paid under joint development arrangements ("JDA")</b>	
<p>Refer note 2.4(d), 2.4(e), 2.4(p), 10, 12 and 13 to the consolidated financial statements for accounting policies on inventories, advances paid towards land procurement and deposits paid under JDA (financial asset) and related financial disclosures.</p> <p>As at 31 March 2025, the carrying value of the inventory comprising of Work in progress, Stock of residential units in completed projects and land stock is ₹ 107,349.44 million, land advances is ₹ 8,614.98 million, advances for joint development arrangements is ₹ 3,702.47 million and refundable deposits paid under JDA is ₹ 6,228.13 million, represents a significant portion of the Group's total assets.</p>	<p>Our procedures in assessing the carrying value of the inventories, land advances and deposits paid under JDA included, but were not limited to the following:</p> <ul style="list-style-type: none"> <li>• Evaluated the appropriateness of accounting policies with respect to inventories, land advances and deposits paid under JDA in terms of principles enunciated under applicable accounting standards;</li> </ul>

## Independent Auditor's Report (Cont'd)

Key audit matter	How our audit addressed the key audit matter
<p>The inventories are carried at lower of cost and net realisable value ('NRV'). The determination of the NRV involves estimates based on prevailing market conditions and taking into account the estimated future selling price, cost to complete projects and selling costs.</p> <p>Advances paid by the Group to the seller/ intermediary towards outright purchase of land is recognised as land advance under other assets during the course of transferring the legal title to the Group, whereupon it is transferred to land stock under inventories. Further, deposits paid under joint development arrangements are in the nature of non-refundable/refundable deposits, for acquiring the development rights. On the launch of the project, the non-refundable amount is transferred as land cost to work-in-progress.</p> <p>The aforesaid deposits and advances are carried at the lower of the amount paid/payable and net recoverable value, which is based on the management's assessment including the expected date of commencement and completion of the project and the estimate of sale prices and construction costs of the project.</p> <p>We identified the assessment towards recoverability of carrying value of inventory, land advances and deposits paid under JDA as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole and the involvement of estimates and judgement in the assessment.</p>	<ul style="list-style-type: none"> <li>• Evaluated the design and tested operation of internal controls related to comparing NRV/ net recoverable value with carrying amount of inventory, land advances and deposits paid under JDA;</li> <li>• Inquired with management to understand key assumptions used in determination of the NRV/ net recoverable value;</li> <li>• For inventory balance:             <ul style="list-style-type: none"> <li>o Compared the NRV to recent sales in the project or to the estimated selling price;</li> <li>o Compared the estimated construction costs to complete each project with the Holding Company's updated budgets; and</li> <li>o For land stock, on a sample basis, obtained the fair valuation reports or the guidance values and reviewed the valuation methodology, key estimates and assumptions adopted in the valuation. Involved auditor's valuation expert, where such fair valuation reports were obtained.</li> </ul> </li> <li>• For land advances/ deposits paid under JDA:             <ul style="list-style-type: none"> <li>o Obtained an update on the status of the land acquisition/ project progress from the management and verified the underlying documents for related developments;</li> <li>o For land advances, compared the acquisition cost of the underlying land with the guidance values; and</li> <li>o Carried out external confirmation procedures on sample basis to obtain evidence supporting the carrying value of land advance and deposits paid under JDA.</li> </ul> </li> </ul>

## Independent Auditor's Report (Cont'd)

Key audit matter	How our audit addressed the key audit matter
<p><b>4. Assessment of certain transactions entered into by the Holding Company and recoverability of balances, on which regulatory proceedings are ongoing.</b></p>	
<p>The Holding Company had entered into a joint development arrangement with certain landowners in Gurugram, Haryana, in earlier years. In respect of this transaction, the Enforcement Directorate ('ED') after due investigation has filed a complaint with Adjudicating Authority, Prevention of Money Laundering ('AA-PML'), alleging certain irregularities in respect of the manner of allotment and pricing of certain plots under this project or payment of applicable fees and charges by the Holding Company or the landowners, with respect to the terms and conditions mentioned in the development policy of Haryana Development and Regulation of Urban Areas Act (HDRUAA), 1975 and the bilateral agreement between the land owners and Directorate of Town and Country Planning, Haryana (DTCP) resulting in provisional attachment under the Prevention of Money Laundering Act, 2002 ('PMLA') of land parcels with value of ₹ 2,016.05 million held by Technobuild Developers Private Limited (TDPL) disclosed under Note 39.</p>	<p>Our audit procedures on this matter included, but were not limited to the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding from the management with respect to process and controls followed by the Holding Company for identification, monitoring of significant developments and impact analysis in relation to the litigations, including completeness thereof;</li> <li>• Gaining an understanding of the ongoing regulatory proceedings through discussions with the management, and reading the underlying case related documents, communications and legal opinions to ensure consistency with the explanations provided to us and we have also assessed the objectivity, experience, competence and independence of management's expert;</li> </ul>
<p>The Holding Company has entered into a Memorandum of Understanding ('MoU') with TDPL for acquiring land parcels using advances extended by the Holding Company, of equivalent value. As per the MoU, TDPL and its affiliates cannot transfer land parcels without prior approval of the Holding Company and the Holding Company has absolute rights over land parcels acquired by TDPL and its affiliates acquired from such advance given by the Holding Company.</p>	<ul style="list-style-type: none"> <li>• Evaluated and challenged the Holding Company's assessment of recoverability of the balances outstanding as at the balance sheet date, the business rationale for entering these transactions, including considering the developments on the matter subsequent to the balance sheet date;</li> <li>• Engaged auditor's expert, who obtained an understanding of the current status of the litigation, reviewed independent legal opinion obtained by the management and considered relevant legal provisions and available precedents to validate the conclusions made by the management's expert;</li> </ul>
<p>As part of the inquiry process, the Holding Company and its officers have been asked to provide contracts, documents and justification in respect of this transaction by the concerned authorities. The Holding Company and its officers have been responding to the queries raised / documents sought from time to time. During the previous year, the Holding Company is in receipt of Show Cause Notice (SCN) under the PMLA from AA-PML and the Holding Company has duly filed the detailed responses to allegations made in SCN.</p>	<ul style="list-style-type: none"> <li>• Communicated and discussed periodic updates on these transactions with those charged with governance, including the recoverability and management's business rationale aspects for these transactions; and</li> <li>• Assessed and validated the adequacy and appropriateness of the disclosures made by the management in the consolidated financial statements.</li> </ul>

## Independent Auditor's Report (Cont'd)

Key audit matter	How our audit addressed the key audit matter
<p>The Holding Company, based on its overall assessment and independent legal opinion obtained, believes that these transactions have been carried out in accordance with all the applicable laws and regulations and the said bilateral agreement and has not identified any adverse material impact to the consolidated financial statements.</p> <p>Considering the significance of the matter which involves uncertainty of outcome due to ongoing proceedings in AA-PML and significant judgements and estimates by the Holding Company on the assessment of the legality and outcome of the above case, this is considered as a key audit matter.</p> <p>Considering this matter is also fundamental to the understanding of the user of consolidated financial statement, we draw attention to Note 39 of the consolidated financial statements.</p>	

### INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

7. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual report, if we conclude that there is a material misstatement therein, we required to communicate the matter to those charged with governance.

### RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

8. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its joint venture in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act the respective Board of Directors of the companies included in the Group covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair

## Independent Auditor's Report (Cont'd)

view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of the Group and its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
10. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and its joint venture.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

11. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
12. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and joint venture to cease to continue as a going concern;
  - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and

## Independent Auditor's Report (Cont'd)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint venture, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
  14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
  15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### OTHER MATTER

16. We did not audit the financial statements of 20 subsidiaries, whose financial statements reflects total assets of ₹ 14,384.41 million as at 31 March 2025, total revenues of ₹ 1,384.13 million and cash inflows (net) of ₹ 52.49 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries, are based solely on the audit report of such other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

17. 17. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of ₹ 0.00(\*) million for the year ended 31 March 2025 in respect of 1 joint venture, whose financial information has not been audited by us. This financial information is unaudited and has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid joint venture, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the management, this financial information is not material to the Group.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial information certified by the management.

## Independent Auditor's Report (Cont'd)

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

18. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 16, on separate financial statements of the subsidiaries, we report that the Holding Company has paid remuneration to their directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that 19 subsidiaries, incorporated in India whose financial statements have been audited under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiaries.
19. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued by us and by the respective other auditors as mentioned in paragraph 16 above, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies.
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
  - b) Except for the matters stated in paragraph 20(h)(vi) below on reporting under rule 11(g) of the Companies (Audits and Auditors) Rules, 2014 (as amended), in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
  - c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;
  - e) On the basis of the written representations received from the directors of the Holding Company, and taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditors of its subsidiaries, covered under the Act, none of the directors of the Holding Company and its subsidiaries are disqualified as on 31 March 2025 from being appointed as a director in terms of section 164(2) of the Act.
  - f) The qualification relating to the maintenance of accounts and other matters connected therewith with respect to the consolidated financial statements are as stated in paragraph 20 (b) above on reporting under section 143(3) (b) of the Act and paragraph 20(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
  - g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiaries covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure II' wherein we have expressed an unmodified opinion; and
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries incorporated in India whose financial statements have been audited under the Act:

## Independent Auditor's Report (Cont'd)

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint venture as detailed in Note 39 to the consolidated financial statements;
- ii. The Holding Company, its subsidiaries and joint venture did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2025;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2025. Further, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by its subsidiary companies covered under the Act, during the year ended 31 March 2025;
- iv.
  - a. The respective managements of the Holding Company and its subsidiaries and joint venture incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and joint venture respectively that, to the best of their knowledge and belief as disclosed in note 46(iv) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiaries and joint venture to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiaries and joint venture ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
  - b. The respective managements of the Holding Company and its subsidiaries and joint venture incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and joint venture respectively that, to the best of their knowledge and belief, as disclosed in the note 46(v) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiaries and joint venture from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiaries and joint venture shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - c. Based on such audit procedures performed by us and that performed by the auditors of the subsidiaries and joint venture, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The final dividend paid by the Holding Company during the year ended 31 March 2025 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend. Further, the subsidiaries and joint venture have not declared or paid any dividend during the year ended 31 March 2025.

As stated in note 18 to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended 31 March 2025 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

## Independent Auditor's Report (Cont'd)

- vi. As stated in Note 47 to the consolidated financial statements and based on our examination which included test checks and that performed by the respective auditors of the 19 subsidiaries, except for instances mentioned below, the Holding Company and its subsidiaries, in respect of financial year commencing on 1 April 2024, have used accounting software for maintaining their books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software.

Further, during the course of our audit we and respective auditors of the above referred subsidiaries did not come across any instance of audit trail feature being tampered with, other than the consequential impact of the exceptions given below. Furthermore, other than the consequential impact of the exceptions given below, the audit trail has been preserved by the Holding Company and its subsidiaries as per the statutory requirements for record retention.

<b>Nature of exception noted</b>	<b>Details of Exception</b>
Instances of accounting software for maintaining books of account for which the feature of recording audit trail (edit log) facility was not operated throughout the year for all relevant transactions recorded in the software	<p>The audit trail feature for accounting software used for maintenance of books of account of the Holding Company was not enabled at the application level from 4 August 2024 to 31 March 2025 for certain masters except customer master and vendor master.</p> <p>The audit trail feature was not enabled at the application level for customer master and vendor master from 4 August 2024 to 18 March 2025 in the said software. Further, though the audit trail logs have been enabled for the customer master and vendor master, the same can be deleted and hence was not operating effectively for the period 19 March 2025 to 31 March 2025.</p>
Instances of accounting software maintained by a third party where we are unable to comment on the audit trail feature at database level.	<p>The accounting software used for maintenance of books of account of the Holding Company for the period 4 August 2024 to 31 March 2025 is operated by a third-party software service provider. In the absence of any information on existence of audit trail (edit logs) for any direct changes made at the database level in the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with ISAE 3402, Assurance Reports on Controls at a Service Organization), we are unable to comment whether audit trail feature with respect to the database of the said software was enabled and operated throughout the period.</p>

For **Walker Chandio & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**Manish Agrawal**  
Partner  
Membership No.: 507000  
UDIN: 25507000BMMKRA8625

Bengaluru  
29 May 2025

(\*) Less than ₹ 5,000 rounded off to ₹ 0.00 million

## Annexure I

List of subsidiaries and joint venture included in the Statement (in addition to Holding Company)

<b>S. No.</b>	<b>Name of the Company/Entity</b>	<b>Relationship</b>
1	Sobha City	Subsidiary
2	Sobha Highrise Venture Private Limited	Subsidiary
3	Sobha Developers (Pune) Limited	Subsidiary
4	Sobha Assets Private Limited	Subsidiary
5	Sobha Tambaram Developers Limited	Subsidiary
6	Sobha Nandambakkam Developers Limited	Subsidiary
7	Sobha Construction Products Private Limited	Subsidiary
8	CVS Tech Park Private Limited	Subsidiary
9	Vayaloor Properties Private Limited	Step-down subsidiary
10	Vayaloor Builders Private Limited	Step-down subsidiary
11	Vayaloor Developers Private Limited	Step-down subsidiary
12	Vayaloor Real Estate Private Limited	Step-down subsidiary
13	Vayaloor Realtors Private Limited	Step-down subsidiary
14	Valasai Vettikadu Realtors Private Limited	Step-down subsidiary
15	Sobha Contracting Private Limited	Step-down subsidiary
16	Kilai Builders Private Limited	Step-down subsidiary
17	Kuthavakkam Builders Private Limited	Step-down subsidiary
18	Kuthavakkam Realtors Private Limited	Step-down subsidiary
19	Sobha Interiors Private Limited	Step-down subsidiary
20	BNB Builders Private Limited	Step-down subsidiary (w.e.f 24 July 2024)
21	Kondhwa Projects LLP	Joint Venture

## **Annexure II to the Independent Auditor's Report of even date to the members of Sobha Limited on the consolidated financial statements for the year ended 31 March 2025**

### **INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ('THE ACT')**

1. In conjunction with our audit of the consolidated financial statements of Sobha Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its joint venture as at and for the year ended 31 March 2025, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies which are companies covered under the Act, as at that date.

### **RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR INTERNAL FINANCIAL CONTROLS**

2. The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS**

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies as aforesaid.

### **MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS**

6. A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions

## **Annexure II to the Independent Auditor's Report of even date to the members of Sobha Limited on the consolidated financial statements for the year ended 31 March 2025 (Cont'd)**

and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS**

7. Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **OPINION**

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies and its joint venture, the Holding Company and its subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to consolidated financial statements and such controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

### **OTHER MATTER**

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to 19 subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of ₹ 10,564.27 million and net assets of ₹ 3,146.92 million as at 31 March 2025, total revenues of ₹ 1,011.57 million and net cash inflows amounting to ₹ 26.33 million for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For **Walker Chandio & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**Manish Agrawal**  
Partner  
Membership No.: 507000  
UDIN: 25507000BMMKRA8625

Bengaluru  
29 May 2025

## SOBHA LIMITED

### CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2025

(All amounts in ₹ millions, unless otherwise stated)

Particulars	Note	As at 31 March 2025	As at 31 March 2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	5,150.37	4,652.74
Investment property	5	4,307.09	4,433.13
Investment property under development	6	238.40	67.89
Intangible asset under development	7	-	54.36
Goodwill	8	171.67	171.67
Other intangible assets	8	43.75	2.39
Right of use assets	38	140.26	135.29
Investments accounted for using the equity method	9	1,146.20	1,149.33
Financial assets			
(i) Trade receivables	11	540.53	393.45
(ii) Other financial assets	12	617.87	907.48
Income tax assets (net)	33	465.15	531.73
Deferred tax asset (net)	33	2,547.30	1,256.31
Other non-current assets	13	10,184.04	10,781.67
		<b>25,552.63</b>	<b>24,537.44</b>
<b>Current assets</b>			
Inventories	10	112,522.49	93,764.13
Financial assets			
(i) Trade receivables	11	1,863.76	1,645.25
(ii) Cash and cash equivalents	14	1,265.63	1,137.31
(iii) Bank balance other than (ii) above	15	16,823.04	5,595.64
(iv) Other financial assets	12	6,512.29	4,161.42
Other current assets	13	7,670.48	6,123.72
		<b>146,657.69</b>	<b>112,427.47</b>
		<b>172,210.32</b>	<b>136,964.91</b>
<b>Total assets</b>			
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	16	1,069.36	948.46
Other equity	17	44,535.70	24,192.28
<b>Equity attributable to owners of the Holding Company</b>		<b>45,605.06</b>	<b>25,140.74</b>
<b>Non-controlling interest</b>		<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>45,605.06</b>	<b>25,140.74</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	19	7,660.72	7,163.49
(ii) Lease liabilities	38	409.62	213.44
(iii) Other financial liabilities	22	1,020.06	-
Provisions	21	258.39	245.54
Deferred tax liabilities (net)	33	164.27	149.39
		<b>9,513.06</b>	<b>7,771.86</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	19	3,648.04	11,971.60
(ii) Lease liabilities	38	116.24	48.80
(iii) Trade payables			
(A) Total outstanding dues of micro enterprises and small enterprises; and	23	-	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	23	5,648.08	6,165.47
(iv) Other financial liabilities	20	5,933.43	6,001.84
Other current liabilities	24	100,806.76	78,984.68
Provisions	21	275.20	223.12
Current tax liabilities (net)	33	664.45	656.80
		<b>117,092.20</b>	<b>104,052.31</b>
		<b>126,605.26</b>	<b>111,824.17</b>
		<b>172,210.32</b>	<b>136,964.91</b>
<b>Total liabilities</b>			
<b>Total equity and liabilities</b>			
Summary of material accounting policies	2.4		
The accompanying notes are an integral part of the consolidated financial statements.			

As per our report of even date

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm registration number: 001076N/N500013

**Manish Agrawal**  
Partner  
Membership No.: 507000

**Place:** Bengaluru  
**Date:** 29 May 2025

For and on behalf of the Board of Directors of **Sobha Limited**

**Ravi PNC Menon**  
Chairman  
DIN: 02070036

**Yogesh Bansal**  
Chief Financial Officer

**Jagadish Nangineni**  
Managing Director  
DIN: 01871780

**Bijan Kumar Dash**  
Company Secretary and  
Compliance Officer  
ACS17222

**SOBHA LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

Particulars	Note	Year ended 31 March 2025	Year ended 31 March 2024
<b>Income</b>			
Revenue from operations	25	40,386.93	30,969.46
Other income	26	1,240.66	1,209.36
<b>Total income</b>		<b>41,627.59</b>	<b>32,178.82</b>
<b>Expenses</b>			
Land (including development rights) and related cost		19,946.42	2,236.52
Cost of materials consumed	27	2,741.99	2,890.49
Purchase of project materials		13,017.86	9,907.75
Changes in inventories of building materials, land stock (including development rights), work in progress and finished goods	28	(18,717.50)	(5,216.51)
Sub-contractor cost		9,667.08	9,230.17
Employee benefits expense	29	4,052.06	3,526.30
Finance costs	30	1,955.67	2,455.06
Depreciation and amortisation expense	31	898.25	782.21
Other expenses	32	6,735.75	5,624.51
<b>Total expenses</b>		<b>40,297.58</b>	<b>31,436.50</b>
<b>Profit before tax and share of loss in joint venture</b>		<b>1,330.01</b>	<b>742.32</b>
Share of loss in joint venture *		0.00	(0.05)
Profit before tax		1,330.01	742.27
Tax expenses			
Current tax	33	1,651.67	1,245.40
Tax adjustments relating to earlier year	33	-	11.87
Deferred tax credit	33	(1,268.52)	(1,006.13)
<b>Tax expense</b>		<b>383.15</b>	<b>251.14</b>
<b>Profit for the year</b>		<b>946.86</b>	<b>491.13</b>
<b>Other comprehensive income</b>			
<b>Item that will not be reclassified to profit or loss</b>			
Re-measurement loss on defined benefit plan	37	(30.13)	(16.79)
Income tax relating to above	33	7.58	4.23
<b>Other comprehensive income for the year, net of tax</b>		<b>(22.55)</b>	<b>(12.56)</b>
<b>Total comprehensive income for the year</b>		<b>924.31</b>	<b>478.57</b>
<b>Profit attributable to:</b>			
Owners of the Holding Company		<b>946.86</b>	<b>491.13</b>
Non-controlling interests		-	-
<b>Other comprehensive income/(loss) attributable to:</b>			
Owners of the Holding Company		(22.55)	(12.56)
Non-controlling interests		-	-
<b>Total comprehensive income attributable to:</b>			
Owners of the Holding Company		<b>924.31</b>	<b>478.57</b>
Non-controlling interests		-	-
<b>Earnings per equity share [nominal value of ₹ 10 per share]</b>			
Basic EPS (in ₹)	34	9.28	5.18
Diluted EPS (in ₹)	34	9.28	5.18

\* Certain amounts that are required to be presented and do not appear due to rounding off are expressed as "0.00".

Summary of material accounting policies

2.4

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm registration number: 001076N/N500013

**Manish Agrawal**

Partner

Membership No.: 507000

**Place:** Bengaluru

**Date:** 29 May 2025

For and on behalf of the Board of Directors of **Sobha Limited**

**Ravi PNC Menon**

Chairman

DIN: 02070036

**Yogesh Bansal**

Chief Financial Officer

**Jagadish Nangineni**

Managing Director

DIN: 01871780

**Bijan Kumar Dash**

Company Secretary and

Compliance Officer

ACS17222

## SOBHA LIMITED

### CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2025

(All amounts in ₹ millions, unless otherwise stated)

Particulars	Note	Year ended 31 March 2025	Year ended 31 March 2024
<b>A Cash flows from operating activities</b>			
Profit before tax		1,330.01	742.27
<b>Adjustments to reconcile profit before tax to net cash flows from operating activities</b>			
Depreciation and amortisation expense	31	898.25	782.21
Profit on sale of property, plant and equipment		(0.61)	(2.41)
Finance costs (including fair value change in financial instruments)	30	1,955.67	2,455.06
Finance income (including fair value change in financial instruments)		(936.34)	(686.84)
Impairment of property, plant and equipment		4.31	29.47
Allowance for credit loss on doubtful trade receivable		375.38	12.32
Provision for doubtful land advances		214.05	82.63
Other advances written off		225.37	50.21
Liabilities no longer required written back		(71.49)	(198.52)
<b>Operating profit before working capital changes</b>		<b>3,994.60</b>	<b>3,266.40</b>
<b>Working capital adjustments</b>			
Changes in trade receivables		(740.97)	324.32
Changes in inventories		(18,725.41)	(6,361.06)
Changes in other current and non-current financial assets		(2,077.00)	299.05
Changes in other current and non-current assets		(1,162.77)	(1,543.55)
Changes in trade payables		(445.90)	377.24
Changes in provisions		34.80	20.26
Changes in other current and non-current financial liabilities		877.25	(2,809.42)
Changes in other current liabilities		21,822.08	13,672.83
<b>Cash generated from operating activities</b>		<b>3,576.68</b>	<b>7,246.07</b>
Income tax paid (net of refund)		(1,577.45)	(771.65)
<b>Net cash flows from operating activities (A)</b>		<b>1,999.23</b>	<b>6,474.42</b>
<b>B Cash flow from investing activities</b>			
Purchase of property, plant and equipment, investment property and intangible assets (including capital work in progress and investment property under development)		(1,312.49)	(1,247.17)
Proceeds from sale of property, plant and equipment		10.70	10.42
Investments in fixed deposits (net)		(11,224.27)	(3,875.38)
Interest income		726.71	362.79
<b>Net cash flows used in investing activities (B)</b>		<b>(11,799.35)</b>	<b>(4,749.34)</b>
<b>C Cash flow from financing activities</b>			
Proceeds from issue of equity shares, net (including securities premium)		19,842.22	-
Repayments of current borrowings (net)		(4,913.13)	(701.79)
Proceeds from non-current borrowings		7,365.06	6,645.38
Repayment of non-current borrowings		(10,278.26)	(6,843.99)
Repayment of principal portion of lease liabilities		(56.96)	(48.89)
Repayment of interest portion of lease liabilities		(25.54)	(25.12)
Interest paid		(1,702.33)	(2,122.68)
Dividend paid on equity shares	18	(302.70)	(284.54)
<b>Net cash flows from/(used in) in financing activities (C)</b>		<b>9,928.44</b>	<b>(3,381.63)</b>
Net increase/(decrease) in cash and cash equivalents (A+B+C)		128.32	(1,656.55)
Cash and cash equivalents at the beginning of the year	14	1,137.31	2,793.86
<b>Cash and cash equivalents at the end of the year</b>	14	<b>1,265.63</b>	<b>1,137.31</b>
<b>Less:</b> Book overdraft from scheduled banks	20	(510.39)	(427.70)
<b>Net cash and cash equivalents at the end of the year</b>	14	<b>755.24</b>	<b>709.61</b>
Changes in liabilities arising from financing activities	14		
Summary of material accounting policies	2.4		

The above Consolidated Statement of Cash Flow has been prepared under the 'Indirect Method' as set out in the Ind AS 7, 'Statement of Cash flow'.  
The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For **Walker Chandio & Co LLP**  
Chartered Accountants  
Firm registration number: 001076N/N500013

**Manish Agrawal**  
Partner  
Membership No.: 507000

**Place:** Bengaluru  
**Date:** 29 May 2025

For and on behalf of the Board of Directors of **Sobha Limited**

**Ravi PNC Menon**  
Chairman  
DIN: 02070036

**Yogesh Bansal**  
Chief Financial Officer

**Jagadish Nangineni**  
Managing Director  
DIN: 01871780

**Bijan Kumar Dash**  
Company Secretary and  
Compliance Officer  
ACS17222

## SOBHA LIMITED

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2025

(All amounts in ₹ millions, unless otherwise stated)

#### A. EQUITY SHARE CAPITAL (\*)

Particulars	Amount
<b>Balance as at 1 April 2023</b>	<b>948.46</b>
Changes in equity share capital during the year	-
<b>Balance as at 31 March 2024</b>	<b>948.46</b>
<b>Balance as at 1 April 2024</b>	<b>948.46</b>
Changes in equity share capital during the year	120.90
<b>Balance as at 31 March 2025</b>	<b>1,069.36</b>

#### B. OTHER EQUITY (\*\*)

Particulars	Attributable to owners of the Holding Company					Total	
	Reserves and Surplus				Items of OCI		
	Note	Capital redemption reserve	Securities premium	General reserve	Retained earnings		Other items of OCI
<b>Balance as at 1 April 2023</b>		<b>119.47</b>	<b>9,328.92</b>	<b>4,452.70</b>	<b>10,145.60</b>	<b>(48.44)</b>	<b>23,998.25</b>
Profit for the year		-	-	-	491.13	-	491.13
Other comprehensive income/(loss)		-	-	-	-	(12.56)	(12.56)
<b>Total comprehensive income for the year ended 31 March 2023</b>		-	-	-	<b>491.13</b>	<b>(12.56)</b>	<b>478.57</b>
<b>Transfer to other reserves</b>							
General reserve	17	-	-	49.11	(49.11)	-	0.00
<b>Total transfer to other reserves</b>		-	-	<b>49.11</b>	<b>(49.11)</b>	-	<b>0.00</b>
<b>Transaction with owners, recorded directly in equity</b>							
Dividend		-	-	-	(284.54)	-	(284.54)
<b>Total distribution to owners</b>		-	-	-	<b>(284.54)</b>	-	<b>(284.54)</b>
<b>Balance as at 31 March 2024</b>		<b>119.47</b>	<b>9,328.92</b>	<b>4,501.81</b>	<b>10,303.08</b>	<b>(61.00)</b>	<b>24,192.28</b>
Profit for the year		-	-	-	946.86	-	946.86
Other comprehensive income/(loss)		-	-	-	-	(22.55)	(22.55)
<b>Total comprehensive income for the year</b>		-	-	-	<b>946.86</b>	<b>(22.55)</b>	<b>924.31</b>
<b>Transfer to other reserves</b>							
General reserve	17	-	-	94.69	(94.69)	-	-
<b>Total transfer to other reserves</b>		-	-	<b>94.69</b>	<b>(94.69)</b>	-	-
Premium on issue of right equity shares	17	-	19,721.81	-	-	-	19,721.81
<b>Total premium on issue of right equity shares</b>		-	<b>19,721.81</b>	-	-	-	<b>19,721.81</b>
<b>Transaction with owners, recorded directly in equity</b>							
Dividend	17	-	-	-	(302.70)	-	(302.70)
<b>Total distribution to owners</b>		-	-	-	<b>(302.70)</b>	-	<b>(302.70)</b>
<b>Balance as at 31 March 2025</b>		<b>119.47</b>	<b>29,050.64</b>	<b>4,596.50</b>	<b>10,852.63</b>	<b>(83.55)</b>	<b>44,535.70</b>

(\*) Refer Note 16

(\*\*) Refer Note 17

Summary of material accounting policies 2.4

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm registration number: 001076N/N500013

For and on behalf of the Board of Directors of **Sobha Limited**

**Manish Agrawal**  
Partner  
Membership No.: 507000

**Ravi PNC Menon**  
Chairman  
DIN: 02070036

**Jagadish Nangineni**  
Managing Director  
DIN: 01871780

**Yogesh Bansal**  
Chief Financial Officer

**Bijan Kumar Dash**  
Company Secretary and  
Compliance Officer  
ACS17222

**Place:** Bengaluru  
**Date:** 29 May 2025

## **SOBHA LIMITED**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

#### **1 CORPORATE INFORMATION**

Sobha Limited (the 'Company' or the 'Holding Company') was incorporated on 07 August 1995 under the provision of erstwhile Companies Act, 1956. The Holding Company along with its subsidiaries and its joint venture (collectively referred to as 'the Group') is engaged in the business of real estate construction, development, sale, management and operation of all or any part of townships, housing projects, commercial premises and other related activities. The Group is also engaged in manufacturing activities related to interiors, glazing and metal works and concrete products which also provides backward integration to Sobha's turnkey projects.

The Holding Company is a public limited company, incorporated and domiciled in India and has its registered office at, Sarjapur – Marathahalli Outer Ring Road (ORR), Devarabisanahalli, Bellandur Post, Bengaluru - 560 103. The Holding Company's equity shares are listed on two recognized stock exchanges in India namely National Stock Exchange of India Limited and BSE Limited.

#### **2.1 BASIS OF PREPARATION**

##### **a. Statement of compliance**

The consolidated financial statements of the Group are prepared in accordance with the Indian Accounting Standards (Ind-AS) specified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015 and other accounting principles generally accepted in India.

The consolidated financial statements for the year ended 31 March 2025 were authorized and approved for issue by the Board of Directors on 29 May 2025. The revision to consolidated financial statements is permitted by Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of Companies Act, 2013.

##### **b. Functional and presentation currency**

These consolidated financial statements are presented in Indian Rupee (₹) which is also the functional and presentation currency of the Group. All amounts have been rounded-off to the nearest million (two decimals), unless otherwise indicated.

##### **c. Basis of measurement**

These consolidated financial statements have been prepared on going concern basis under the historical cost basis except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

##### **d. Use of estimates**

The preparation of consolidated financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. The Management believes that, although these estimates used in preparation of the financial statements are prudent and reasonable and are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities. The effect of change in an accounting estimate is recognized prospectively. Significant management judgement in applying accounting policies and estimation uncertainty have been disclosed in note 2.5.

## **SOBHA LIMITED**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

#### **e. Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116, 'Leases', and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2, 'Inventories', or value in use in Ind AS 36, 'Impairment of assets'.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques have been disclosed in note 2.4(p)(xi).

#### **f. Current versus non-current classification**

The Group presents assets and liabilities in the balance sheet based on current/non-current classification.

The Group classifies an asset as current asset when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the asset primarily for the purpose of trading;
- it expects to realise the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

#### **A liability is classified as current when:**

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

The real estate development projects undertaken by the Group generally run over a period ranging up to 5 years. Based on the nature of service and the time between the acquisition of assets for development and their realization in cash and cash equivalents, Operating assets and liabilities relating to such projects are classified as current based on an operating cycle as 5 years. For all other assets and liabilities the Group has considered twelve months.

## SOBHA LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

(All amounts in ₹ millions, unless otherwise stated)

#### 2.2. GROUP INFORMATION

The consolidated financial statements of the Group includes subsidiaries listed in the table below:

Name of investee	Principal activities	Country of incorporation	Percentage of ownership/ voting rights	
			31 March 2025	31 March 2024
<b>Subsidiaries</b>				
Sobha City [Partnership firm]	Real estate development	India	100%	100%
Sobha Contracting Pvt Ltd		India	100%	100%
Sobha Developers (Pune) Limited		India	100%	100%
Sobha Assets Private Limited		India	100%	100%
Sobha Highrise Ventures Private Limited		India	100%	100%
Sobha Interiors Private Limited		India	100%	100%
Sobha Nandambakkam Developers Limited		India	100%	100%
Sobha Tambaram Developers Limited		India	100%	100%
Sobha Construction Products Private Limited		India	100%	100%
C.V.S.Tech Park Private Limited (*)		India	100%	100%
Kilai Builders Private Limited		India	100%	100%
Kuthavakkam Builders Private Limited		India	100%	100%
Kuthavakkam Realtors Private Limited		India	100%	100%
Vayaloor Properties Private Limited		India	100%	100%
Vayaloor Builders Private Limited		India	100%	100%
Vayaloor Developers Private Limited		India	100%	100%
Vayaloor Real Estate Private Limited		India	100%	100%
Vayaloor Realtors Private Limited		India	100%	100%
Valasai Vettikadu Realtors Private Limited		India	100%	100%
Sobha Commercial Private Limited (w.e.f 24 July 2024) (Formerly known as BNB Builders Private Limited)		India	100%	100%

(\*)Subsidiary with effect from 14 February 2024.

The consolidated financials statements also includes the result of a joint venture, Kondhwa Projects LLP, which has been accounted for under the equity method of accounting.

The consolidated financials statements also includes the result of associate, C.V.S.Tech Park Private Limited (till 14 February 2024), which has been accounted for under the equity method of accounting.

## **SOBHA LIMITED**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

#### **2.3 BASIS OF CONSOLIDATION**

The consolidated financial statements comprise the financial statements of the Company, its subsidiaries, an associate company and a joint venture. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March 2025.

#### **Consolidation procedure:**

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

## **SOBHA LIMITED**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

- (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
- (d) Include the results, i.e. profit or loss from the joint venture in the consolidated Statement of profit and loss.

#### **Investments accounted for using the equity method**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The Group's investments in its joint ventures and associates are accounted for using the equity method.

Under the equity method, the investment in a joint venture or associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill, if any, relating to the joint venture or associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the joint venture or associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture or associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture or associate are eliminated to the extent of the interest in the joint venture or associate.

If an entity's share of losses of a joint venture or associate equals or exceeds its interest in the joint venture or associate (which includes any long term interest that, in substance, form part of the Group's net investment in the joint venture or associate), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture or associate. If the joint venture or associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of a joint venture or associate is shown on the face of the statement of profit and loss.

The financial statements of joint venture or associate used for the purpose of consolidation are drawn up to same reporting date as that of the Holding Company, i.e., year ended on March 31<sup>st</sup> and are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture or associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture or associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture or associate and its carrying value, and then recognises the loss as 'Share of profit in joint venture or associate' in the statement of profit or loss.

## **SOBHA LIMITED**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

Upon loss of significant influence over the joint venture or associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture or associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

## **2.4 MATERIAL ACCOUNTING POLICIES**

### **a) Business combinations and goodwill**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

### **Impairment of Goodwill**

Goodwill recognized on business combination are tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount of the asset or the cash generating unit to which these pertain is less than the carrying value. The recoverable amount of the asset or the cash generating units is higher of value-in-use and fair value less cost of disposal. The calculation of value in use of an asset or a cash generating unit involves use of significant estimates and assumptions which include turnover, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions."

## **SOBHA LIMITED**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

#### **b) Revenue recognition**

##### **I. Revenue from contracts with customers**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other credits, if any, as specified in the contract with the customer. The Group presents revenue from contracts with customers net of indirect taxes in its statement of profit and loss.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

The Group has applied five step model as per Ind AS 115 'Revenue from contracts with customers' to recognise revenue in the consolidated financial statements. The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- a) The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
- b) The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- c) The Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

For performance obligations where any of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue is recognised either at point of time or over a period of time based on various conditions as included in the contracts with customers.

The billing schedules agreed with customers include periodic performance-based billing and/or milestone-based progress billings. Revenues in excess of billing are classified as unbilled revenue, while billing in excess of revenues is classified as contract liabilities (which we refer to as deferred revenues).

##### **i) Recognition of revenue from sale of real estate property**

Revenue from real estate development of residential unit is recognised at the point in time, when the control of the asset is transferred to the customer, which generally coincides with transfer of physical possession of the residential unit to the customer i.e., handover/deemed handover of the residential units. Deemed handover of the residential units is considered upon intimation to the customers about receipt of occupancy certificate and receipt of substantial sale consideration.

Revenue consists of sale of undivided share of land and constructed area to the customer, which have been identified by the Group as a single performance obligation, as they are highly interrelated/interdependent.

Further, for projects executed through joint development arrangements not being jointly controlled operations, wherein the land owner/possessor provides land and the Group undertakes to develop properties on such land and in lieu of land owner providing land, the Group has agreed to transfer certain percentage of constructed area or certain percentage of the revenue proceeds, the revenue from the development and transfer of constructed area/revenue sharing arrangement in exchange of such development rights/land is being accounted on gross basis on launch of the project. Revenue is recognised over

## **SOBHA LIMITED**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

time, on the basis of the inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation.

The revenue is measured at the fair value of the land received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the land received cannot be measured reliably, the revenue is measured at the fair value of the estimated construction service rendered to the land owner, adjusted by the amount of any cash or cash equivalents transferred. The fair value so estimated is considered as the cost of land in the computation of percentage of completion for the purpose of revenue recognition as mentioned above.

For contracts involving sale of real estate unit, the Group receives the consideration in accordance with the terms of the contract in proportion of the percentage of completion of such real estate project and represents payments made by customers to secure performance obligation of the Group under the contract enforceable by customers. Such consideration is received and utilised for specific real estate projects in accordance with the requirements of the Real Estate (Regulation and Development) Act, 2016. Consequently, the Group has concluded that such contracts with customers do not involve any financing element since the same arises for reasons explained above, which is other than for provision of finance to/from the customer.

#### **ii) Recognition of revenue from contractual projects**

Revenue from contractual project is recognised over time, with reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs.

The Group recognises revenue only when it can reasonably measure its progress in satisfying the performance obligation. Until such time, the Group recognises revenue to the extent of cost incurred, provided the Group expects to recover the costs incurred towards satisfying the performance obligation.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately when such probability is determined.

#### **iii) Recognition of revenue from sale of land and development rights**

Revenue from sale of land and development rights is recognised upon transfer of all significant risks and rewards of ownership of such real estate/property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/agreements. Revenue from sale of land and development rights is only recognised when transfer of legal title to the buyer is not a condition precedent for transfer of significant risks and rewards of ownership to the buyer.

#### **iv) Recognition of revenue from glazing works**

Revenue from glazing projects is recognised over time, with reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of the budgeted cost associated to the units produced/installed for work performed to date relative to the total contractual obligation of production/installation of such units.

The Group recognises revenue only when it can reasonably measure its progress in satisfying the performance obligation. Until such time, the Group recognises revenue to the extent of cost incurred, provided the Group expects to recover the costs incurred towards satisfying the performance obligation.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately when such probability is determined.

#### **v) Recognition of revenue from interior works and sale of concrete products and scrap**

Revenue is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. Revenue excludes indirect taxes and is after deduction of any trade discounts.

## **SOBHA LIMITED**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

#### **vi) Recognition of revenue from maintenance and other services**

Revenue in respect of maintenance services and other services is recognised on an accrual basis, in accordance with the terms of the respective contract as and when the Group satisfies performance obligations by delivering the services as per contractual agreed terms.

#### **vii) Other operating income**

Interest on delayed receipts, cancellation/forfeiture income, transfer fees, marketing fee from customers are recognised based upon underlying agreements with customers and when reasonable certainty of collection is established.

#### **viii) Contract balances**

##### **a) Contract asset**

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

##### **b) Contract liability**

Contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

#### **ix) Cost to obtain a contract**

The Group recognises as an asset the incremental costs of obtaining a contract with a customer if the Group expects to recover those costs. The Group incurs costs such as sales commission when it enters into a new contract, which are directly related to winning the contract. The asset recognised is amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

## **II. Rental income from operating leases**

Rental income receivable under operating leases (excluding variable rental income) is recognized in the statement of profit and loss on a straight-line basis over the term of the lease including lease income on fair value of refundable security deposits. Rental income under operating leases having variable rental income is recognized as per the terms of the contract.

## **III. Interest income**

Interest income, including income arising from other financial instruments, is recognised using the effective interest rate method.

#### **c) Borrowing cost**

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

The Group treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

## **SOBHA LIMITED**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

#### **d) Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost is determined based on a weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

#### **I. Related to real estate and contractual activity**

Direct expenditure relating to real estate activity is inventorised. Other expenditure (including borrowing costs) during construction period is inventorised to the extent the expenditure is directly attributable cost of bringing the asset to its working condition for its intended use. Other expenditure (including borrowing costs) incurred during the construction period which is not directly attributable for bringing the asset to its working condition for its intended use is charged to the statement of profit and loss. Direct and other expenditure is determined based on specific identification to the real estate activity. Cost incurred/items purchased specifically for projects are taken as consumed as and when incurred/received.

- |  |  |
|--|--|
| i) Work-in-progress (Real estate)                          | Represents cost incurred in respect of projects where the revenue is yet to be recognized and includes cost of land (including development rights and non-refundable deposits paid, if any under joint development arrangements ('JDA')), internal development costs, external development charges, construction costs, overheads, borrowing cost etc. Land/development rights received under JDA is measured at the fair value of the estimated construction service rendered to the land owner and the same is accounted on launch of the project. |
| ii) Stock of units/plots in completed real estate projects | Represents cost incurred in respect of completed real estate project net cost of revenue.  |
| iii) Building materials                                    | Cost comprises of purchase price and other costs incurred in bringing the inventories to their present location and condition.   |
|  | Building materials are valued at cost computed on weighted average basis.  |
| iv) Land stock   | Represents land other than area transferred to work-in-progress at the commencement of construction. Cost comprises of purchase price under agreement to purchase, stamp duty, registration charges, brokerage cost and other incidental expenses.   |

#### **II. Related to glazing, interiors and concrete products activity**

- |   |   |
|---|---|
| i) Raw material, components and stores  | Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.      |
|   | Raw material, components and stores are valued at cost computed on weighted average basis.  |
| ii) Work-in-progress and Finished goods | Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. |

#### **e) Advance paid towards land procurement**

Advances paid by the Group to the seller/intermediary towards outright purchase of land is recognised as land advance under other assets during the course of obtaining clear and marketable title, free from all encumbrances and transfer of legal title to the Group, whereupon it is transferred to land stock under inventories. Management is of the view that these advances are given under normal trade practices and are neither in the nature of loans nor advance in the nature of loans. (refer note 14)

#### **f) Foreign currency transactions and balances**

##### **i) Initial recognition**

Foreign currency transactions are recorded in the functional currency, by applying the exchange rate between the functional currency and the foreign currency at the date of the transaction.

## **SOBHA LIMITED**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

#### **ii) Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

#### **iii) Exchange differences**

The Group accounts for exchange differences arising on translation/settlement of foreign currency monetary items as income or as expense in the period in which they arise.

### **g) Property, plant and equipment**

#### **i) Recognition and initial measurement**

Property, plant and equipment at their initial recognition are stated at their cost of acquisition. Cost of an item of property, plant and equipment comprises its purchase price, borrowing costs (if capitalization criteria are met), import duties, non-refundable taxes and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. The Group identifies and determines cost of each component/part of the asset separately, if the component/part have a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour, borrowing costs (if capitalization criteria are met) and any other costs directly attributable to bringing the asset to working condition for its intended use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

#### **ii) Subsequent measurement**

Items of property, plant and equipment are measured at cost, less accumulated depreciation and any accumulated impairment losses, if any. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

#### **iii) Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

#### **iv) Derecognition**

An item of Property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the the statement of profit and loss when the Property, plant and equipment is de-recognized.

### **h) Investment property**

#### **i) Recognition and initial measurement**

Investment property is property held either to earn rental income or for capital appreciation or for both. Upon initial recognition, an investment property is measured at cost, including related transaction costs. The cost comprises purchase price, cost of replacing parts, borrowing cost, if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

## **SOBHA LIMITED**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

The cost of a self-constructed item of Investment property comprises the cost of materials, direct labour, borrowing costs (if capitalization criteria are met) and any other costs directly attributable to bringing the asset to working condition for its intended use.

#### **ii) Subsequent measurement**

Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

#### **iii) Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

#### **iv) Derecognition**

Investment property is derecognised either when control of the same is transferred to the buyer or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

#### **v) Reclassification from/to investment property**

Transfers to (or from) investment property are made only when there is a change in use. Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

#### **vi) Fair value disclosure**

Though the Group measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual valuation performed by an accredited external independent valuer.

### **i) Depreciation on property, plant and equipment and Investment property**

Depreciation is calculated on written down value basis using the following useful lives prescribed under Schedule II of the Act, except where specified.

<b>Particulars</b>	<b>Useful lives estimated by the management (in years)</b>
<b>Property, plant and equipment</b>	
Factory buildings	30
Buildings - other than factory buildings	60
Buildings - temporary structure for precast plant	8
Buildings - temporary structure	3
Plant and machinery	
i. General plant and machinery	15
ii. Plant and machinery - Civil construction	12
iii. Plant and machinery - Electrical installations	10
iv. Plant and machinery - Precast plant	8

**SOBHA LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**i) Depreciation on property, plant and equipment and Investment property (Cont'd)**

Particulars	Useful lives estimated by the management (in years)
v. Plant and machinery - Others	3-5
Furniture and fixtures	10
Motor vehicles - Two wheelers	10
Motor vehicles - Four wheelers	8
Computers	
i. Computer equipment	3
ii. Servers and network equipment	6
Office equipment	5
<b>Investment property</b>	
Buildings - other than factory buildings	60
Buildings - One Sobha	46-48
Plant and machinery	
i. General plant and machinery	15
ii. Plant and machinery	12
Office equipments	5
Furniture and fixtures	10

The Group, based on technical assessment made by technical expert and management estimate, depreciates certain items of building and plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Steel scaffolding items are depreciated using straight line method over a period of 6 years, which is estimated to be the useful life of the asset by the management based on planned usage and technical advice thereon. These lives are higher than those indicated in Schedule II.

Leasehold land is amortized on a straight-line basis over the balance period of lease.

Freehold land is not depreciated and is stated at cost less impairment loss, if any.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**j) Capital work-in-progress and intangible assets under development**

Capital work-in-progress and intangible assets under development represents expenditure incurred in respect of capital projects/intangible assets under development which are not yet ready for their intended use and are carried at cost less accumulated impairment loss, if any.

Depreciation/amortisation is not provided on capital work-in-progress and intangible assets under development until construction/installation are complete and the asset is ready for its intended use.

## **SOBHA LIMITED**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

#### **k) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets, comprising of software and intellectual property rights are amortized on a straight line basis over a period of 3 years, which is estimated to be the useful life of the asset and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit or Loss when the asset is derecognised.

#### **l) Leases**

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### **I. Group as a lessee**

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

##### **i) Right-of-use assets**

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, if any and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in note 2.4(q)(ii) on impairment of non-financial assets.

##### **ii) Lease liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

## **SOBHA LIMITED**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

#### **iii) Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

#### **II. Group as a lessor**

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Assets subject to operating leases are included under Investment property.

The Group assesses whether it transfers substantially all the risks and rewards of ownership. Those assets that do not transfer substantially all the risks and rewards are classified as operating leases. The Group has currently not entered into any lease that is classified as finance lease.

Rental income is accounted for on a straight-line basis over the lease term and is included in other income due to its nature.

#### **m) Retirement and other employee benefits**

##### **i) Employee Provident Fund and Employee State Insurance**

Retirement benefits in the form of state governed Employee Provident Fund and Employee State Insurance are defined contribution schemes (collectively the 'Schemes'). The Group has no obligation, other than the contribution payable to the Schemes. The Group recognizes contribution payable to the Schemes as expenditure, when an employee renders the related service. The contribution paid in excess of amount due is recognized as an asset and the contribution due in excess of amount paid is recognized as a liability.

##### **ii) Gratuity**

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit/obligation at the balance sheet date, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at or near the balance sheet date by an independent actuary using the projected unit credit method. This is based on standard rates of inflation, salary growth rate and mortality. Discount factors are determined close to each year-end by reference to market yields on government bonds that have terms to maturity approximating the terms of the related liability. Service cost and net interest expense on the Group's defined benefit plan is included in statement of profit and loss. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income in the period in which they occur and are not reclassified to profit or loss in subsequent periods.

The Group makes contributions to Sobha Developers Employees Gratuity Trust ('the Trust') to discharge the gratuity liability to employees. Provision towards gratuity, a defined benefit plan, is made for the difference between actuarial valuation by an independent actuary and the fund balance, as at the year-end.

##### **iii) Compensated absences**

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

##### **iv) Other short-term benefits**

Short-term employee benefits comprising employee costs including performance bonus is recognized in the statement of profit and loss on the basis of the amount paid or payable for the period during which services are rendered by the employee.

## **SOBHA LIMITED**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

#### **n) Provisions, contingent assets and contingent liabilities**

##### **i) Provisions**

Provisions are recognized only when there is a present obligation (legal or constructive), as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of obligation can be made at the reporting date. Provisions are discounted to their present values, where the time value of money is material, using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

##### **ii) Onerous contracts**

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e. the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

##### **iii) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses it in the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

##### **iv) Contingent assets**

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

#### **o) Income taxes**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

##### **i) Current income tax**

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for that period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

## **SOBHA LIMITED**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

#### **ii) Deferred income tax**

Deferred income tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

#### **p) Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### **i) Initial recognition and measurement of financial assets and liabilities**

Financial assets and liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value, however, trade receivables and trade payables that do not contain a significant financing component are measured at transaction value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

##### **ii) Financial assets at amortized cost**

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### **iii) Financial assets at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## **SOBHA LIMITED**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

#### **iv) Financial assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in statement of profit and loss.

#### **v) Debt instruments at amortized cost**

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

#### **vi) Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments. Gains or losses on liabilities held for trading are recognized in the profit or loss.

#### **vii) Financial liabilities at amortized cost**

Financial liabilities are subsequently carried at amortized cost using the effective interest ('EIR') method.

Interest-bearing loans and borrowings are subsequently measured at amortized cost using EIR method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### **viii) De-recognition of financial instruments**

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

#### **ix) Reclassification of financial assets**

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial instruments.

#### **x) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

#### **xi) Fair value of financial instruments**

In determining the fair value of its financial instruments, the Group uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

## **SOBHA LIMITED**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

#### **Fair value hierarchy:**

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

#### **q) Impairment**

##### **i) Financial assets**

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets (except financial assets valued through fair value through profit or loss) is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognizes lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

The presumption under Ind AS 109 with reference to significant increases in credit risk since initial recognition (when financial assets are more than 30 days past due), has been rebutted and is not applicable to the Group, as the Group is able to collect a significant portion of its receivables that exceed the due date.

##### **ii) Non-financial assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

iii) Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

## **SOBHA LIMITED**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

#### **r) Segment reporting**

##### **i) Identification of segments**

In accordance with Ind AS 108 – Operating Segment, the operating segments used to present segment information are identified on the basis of information reviewed by the Group's management to allocate resources to the segments and assess their performance. An operating segment is a component of the Group that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Results of the operating segments are reviewed regularly by the Managing Director who has been identified as the chief operating decision maker (CODM), to make decisions about resources to be allocated to the segment and assess its performance.

##### **ii) Inter-segment transfers**

The Group generally accounts for inter/segment sales and transfers at appropriate margins.

##### **iii) Unallocated items**

Unallocated items include general corporate asset, liability, income and expense items which are not allocated to any business segment.

##### **iv) Segment accounting policies**

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Group as a whole.

#### **s) Cash dividend to equity holders of the Group or Holding Company**

The Group recognizes a liability to make cash distributions to equity holders of the Group when the distribution is authorized and the distribution is no longer at the discretion of the Group. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Group's Board of Directors.

#### **t) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

#### **u) Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

## **SOBHA LIMITED**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

#### **2.5 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

Significant accounting judgements, estimates and assumptions used by management are as below.

Determination of performance obligations and timing of revenue recognition on revenue from real estate development [Refer note 2.4(b)(l)(i)].

Accounting for revenue and land cost for projects executed through joint development arrangement [Refer note 2.4(b)(l)(i)].

Computation of percentage completion for projects in progress, project cost, revenue and saleable area estimates [Refer note 2.4(b)(l)(ii)].

Estimation of net realizable value for inventory [Refer note 2.4(d)], land advance and refundable deposits paid under JDA [Refer note 2.4(e)].

Provision for litigations and contingencies [Refer note 2.4(n)].

Useful life and residual value of property, plant and equipment, investment property and intangible assets [Refer note 2.4(i)].

Evaluation of indicators and impairment of financial and non-financial assets [Refer note 2.4(q)].

Classification of property as investment property or inventory [Refer note 2.4(d) and (h)].

Fair value measurement disclosures [Refer note 2.4(p)].

Provision for tax [Refer note 2.4(o)].

#### **3 RECENT ACCOUNTING PRONOUNCEMENTS**

The Ministry of Corporate Affairs vide notification dated 9 September 2024 and 28 September 2024 notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024 and Companies (Indian Accounting Standards) Third Amendment Rules, 2024, respectively, which amended/ notified certain accounting standards (see below), and are effective for annual reporting periods beginning on or after 1 April 2024:

- Insurance contracts - Ind AS 117; and
- Lease Liability in Sale and Leaseback – Amendments to Ind AS 116

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

**SOBHA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**4 PROPERTY, PLANT AND EQUIPMENT**

Particulars	Freehold land	Factory buildings	Other buildings	Plant and machinery	Scaffolding items	Furniture and fixtures	Vehicles	Computers	Office equipment	Total
<b>Cost</b>										
<b>As at 1 April 2023</b>	1,826.41	708.54	1,128.85	1,999.64	2,351.80	58.91	16.25	231.75	46.85	8,369.00
Additions during the year	12.54	71.78	84.62	89.67	815.04	17.91	6.37	52.06	6.97	1,156.96
Disposal during the year	-	-	-	(12.92)	(0.39)	(0.05)	-	(0.08)	(0.07)	(13.51)
<b>As at 31 March 2024</b>	1,838.95	780.32	1,213.47	2,076.39	3,166.45	76.77	22.62	283.73	53.75	9,512.45
Additions during the year	2.85	31.70	-	248.98	782.96	5.92	11.30	111.47	5.46	1,200.64
Disposal during the year*	-	-	-	(22.18)	(0.57)	-	-	(0.19)	(0.00)	(22.94)
<b>As at 31 March 2025</b>	1,841.80	812.02	1,213.47	2,303.19	3,948.84	82.69	33.92	395.01	59.21	10,690.15
<b>Accumulated depreciation and impairment loss</b>										
<b>As at 1 April 2023</b>	2.85	547.26	491.64	1,427.34	1,501.70	42.01	9.76	182.21	34.25	4,239.02
Charge for the year	-	53.85	58.20	133.68	295.84	6.86	2.17	39.01	7.13	596.74
Impairment loss	-	1.35	3.36	15.76	-	1.36	1.39	5.18	1.07	29.47
Disposal during the year	-	-	-	(4.94)	(0.39)	(0.04)	-	(0.08)	(0.07)	(5.52)
<b>As at 31 March 2024</b>	2.85	602.46	553.20	1,571.84	1,797.15	50.19	13.32	226.32	42.38	4,859.71
Charge for the year	2.85	20.46	66.44	111.36	401.41	7.95	4.90	64.50	5.89	685.76
Impairment loss	-	-	0.27	3.37	-	0.07	0.07	0.51	0.02	4.31
Disposal during the year*	-	-	-	(9.24)	(0.57)	-	-	(0.19)	(0.00)	(10.00)
<b>As at 31 March 2025</b>	5.70	622.92	619.91	1,677.33	2,197.99	58.21	18.29	291.14	48.29	5,539.78
<b>Carrying amount</b>										
<b>As at 31 March 2025</b>	1,836.10	189.10	590.71	628.71	1,750.85	24.48	15.63	103.87	10.92	5,150.37
<b>As at 31 March 2024</b>	1,836.10	177.86	660.27	504.55	1,369.30	26.58	9.30	57.41	11.37	4,652.74

**Note:**

**a) Contractual obligations**

The contractual commitments pending for the acquisition of property, plant and equipment as at 31 March 2025 is ₹ 187.66 (31 March 2024: ₹ 493.42).

**b) Property, plant and equipment pledged as security**

Refer Note.43 for details of Property, plant and equipment pledged as security for borrowings.

**c)** The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee), are held in the name of the Group.

**d)** The Group has not revalued its property, plant and equipment during the current or previous year.

(\*). Certain amounts that are required to be presented and do not appear due to rounding off are expressed as "0.00".

**SOBHA LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**5 INVESTMENT PROPERTY**

Particulars	Freehold land	Right of use - Land	Other buildings	Other assets forming part of building			Total
				Plant and machinery	Furniture and fixtures	Office equipment	
<b>Cost</b>							
<b>As at 1 April 2023</b>	<b>132.47</b>	<b>142.84</b>	<b>4,431.90</b>	<b>309.60</b>	<b>37.03</b>	<b>3.69</b>	<b>5,057.53</b>
Additions during the year	-	-	50.60	0.01	-	1.73	52.34
Disposal during the year	-	-	-	(0.11)	-	-	(0.11)
<b>As at 31 March 2024</b>	<b>132.47</b>	<b>142.84</b>	<b>4,482.50</b>	<b>309.50</b>	<b>37.03</b>	<b>5.42</b>	<b>5,109.76</b>
Additions during the year	-	-	8.39	0.36	-	0.03	8.78
Disposal during the year	-	-	-	-	-	-	-
<b>As at 31 March 2025</b>	<b>132.47</b>	<b>142.84</b>	<b>4,490.89</b>	<b>309.86</b>	<b>37.03</b>	<b>5.45</b>	<b>5,118.54</b>
<b>Accumulated depreciation and amortisation</b>							
<b>As at 1 April 2023</b>	-	<b>6.02</b>	<b>358.74</b>	<b>152.57</b>	<b>20.79</b>	<b>0.69</b>	<b>538.81</b>
Charge for the year	-	3.02	104.17	25.38	3.30	2.04	137.91
Disposal during the year	-	-	-	(0.09)	-	-	(0.09)
<b>As at 31 March 2024</b>	-	<b>9.04</b>	<b>462.91</b>	<b>177.86</b>	<b>24.09</b>	<b>2.73</b>	<b>676.63</b>
Charge for the year	-	3.01	104.33	22.93	3.44	1.11	134.82
Disposal during the year	-	-	-	-	-	-	-
<b>As at 31 March 2025</b>	-	<b>12.05</b>	<b>567.24</b>	<b>200.79</b>	<b>27.53</b>	<b>3.84</b>	<b>811.45</b>
<b>Carrying amount</b>							
<b>As at 31 March 2025</b>	<b>132.47</b>	<b>130.79</b>	<b>3,923.65</b>	<b>109.07</b>	<b>9.50</b>	<b>1.61</b>	<b>4,307.09</b>
<b>As at 31 March 2024</b>	<b>132.47</b>	<b>133.80</b>	<b>4,019.59</b>	<b>131.64</b>	<b>12.94</b>	<b>2.69</b>	<b>4,433.13</b>

a. One investment property is constructed/ developed on a leasehold land where the Group is the lessee and the lease agreement is duly executed in favour of the lessee. The Right-of-use assets meet the definition of investment property, and hence is presented within 'investment property'.

b. Investment property comprises of various commercial properties and club houses that is leased to third parties. Each of the leases contains an initial non-cancellable period of 2-3 years. The Group has no restrictions on the realisability of its investment property.

**c. Fair value of investment property**

The fair value of Investment property is ₹ 9,970.00 (31 March 2024: ₹ 9,198.60). The valuations is based on valuation performed by an accredited independent valuer and is a registered valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The fair value of the Group's investment properties have been arrived at using discounted cash flow method, direct comparison approach, and depreciated replacement cost method. Under discounted cash flow method, cash flow projections based on reliable estimates of cash flow are discounted. The main inputs used are rental growth rate, expected vacancy rates, discount rates, and transacted values of similar properties which are based on comparable transactions and industry data. The fair value measurement of the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used. (refer note 40b).

**d. Investment property pledged as security**

Refer note. 43 for details of investment property pledged as security for borrowings.

**SOBHA LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**e. Amounts recognised in profit or loss**

Particulars	31 March 2025	31 March 2024
<b>Rental income derived from investment properties (refer note 25B)</b>	<b>623.86</b>	<b>618.27</b>
Direct operating expenses (including repairs and maintenance) generating rental income	(89.70)	(170.14)
Direct operating expenses (including repairs and maintenance) that did not generate rental income	(40.39)	(19.34)
<b>Profit arising from investment properties before depreciation and indirect expenses</b>	<b>493.77</b>	<b>428.79</b>
<b>Less: Depreciation</b>	<b>(134.82)</b>	<b>(137.91)</b>
<b>Profit arising from investment properties before indirect expenses</b>	<b>358.95</b>	<b>290.88</b>

**6 INVESTMENT PROPERTY UNDER DEVELOPMENT**

Particulars	Amount
<b>As at 1 April 2023</b>	67.89
Additions during the year	-
Disposal during the year	-
Capitalised during the year	-
<b>As at 31 March 2024</b>	67.89
Additions during the year	170.51
Disposal during the year	-
Capitalised during the year	-
<b>As at 31 March 2025</b>	<b>238.40</b>

**Note:****(a) Ageing of investment property under development****As at 31 March 2025**

Particulars	Amount of Investment property under development for the period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Projects in progress	170.51	-	-	-	170.51
Projects temporarily suspended (*)	-	-	2.86	65.03	67.89
<b>Total</b>	<b>170.51</b>	<b>-</b>	<b>2.86</b>	<b>65.03</b>	<b>238.40</b>

**As at 31 March 2024**

Particulars	Amount of Investment property under development for the period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended (*)	-	2.86	6.75	58.28	67.89
<b>Total</b>	<b>-</b>	<b>2.86</b>	<b>6.75</b>	<b>58.28</b>	<b>67.89</b>

## SOBHA LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

(All amounts in ₹ millions, unless otherwise stated)

#### (b) Contractual obligations

Refer note 39B(c) for details of contractual obligations to construct or develop investment property under development.

#### (c) Investment property under development whose completion is overdue or has exceeded its cost compared to its original plan

There are no projects in progress under 'Investment property under development' whose completion is overdue or has exceeded its cost compared to its original plan.

#### (d) Fair value

As the properties are under development, the Group has determined that the fair value of the properties is not reliably measurable and expects that the fair value of the properties to be reliably measurable when construction is complete. Hence, the carrying amount is best approximation of fair value of the properties.

#### (e) Borrowing cost capitalised

No borrowing cost capitalised to investment property under development.

#### (f) Investment property under development pledged as security

There is no pledge on Investment property under development.

#### (g) Title deeds of immovable property not held in the name of the Group

The title deeds (registered sale deed/ transfer deed/ registered joint development agreements) of all the immovable properties (including investment properties) held by the Group (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Group.

## 7 INTANGIBLE ASSET UNDER DEVELOPMENT

Particulars	Software	Amount
<b>As at 1 April 2023</b>	<b>17.62</b>	<b>17.62</b>
Capitalised during the year	36.74	36.74
Charged off during the year	-	-
<b>As at 31 March 2024</b>	<b>54.36</b>	<b>54.36</b>
Capitalised during the year	(53.16)	(53.16)
Charged off during the year	(1.20)	(1.20)
<b>As at 31 March 2025</b>	<b>-</b>	<b>-</b>

### Contractual obligations

The contractual commitments pending for the acquisition of intangible asset under development as at 31 March 2025 is Nil (31 March 2024: ₹ 8.75).

### Ageing of intangible assets under development as at 31 March 2025

Particulars	Amount in intangible assets under development for the period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Projects in progress (*)	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**SOBHA LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**7 INTANGIBLE ASSET UNDER DEVELOPMENT (Cont'd)****Ageing of intangible assets under development as at 31 March 2024**

Particulars	Amount in intangible assets under development for the period of				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
Projects in progress (*)	36.74	17.62	-	-	54.36
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>36.74</b>	<b>17.62</b>	<b>-</b>	<b>-</b>	<b>54.36</b>

(\*) There are no projects in progress under 'Intangible assets under development' whose completion is overdue or has exceeded its cost compared to its original plan.

**8 INTANGIBLE ASSETS**

Particulars	Goodwill	Software	Intellectual property rights	Total
<b>Cost</b>				
<b>As at 1 April 2023</b>	<b>171.67</b>	<b>26.72</b>	<b>0.05</b>	<b>198.44</b>
Additions during the year	-	1.00	-	1.00
<b>As at 31 March 2024</b>	<b>171.67</b>	<b>27.72</b>	<b>0.05</b>	<b>199.44</b>
Additions during the year	-	54.25	-	54.25
Deletion/ adjustment during the year	-	-	(0.05)	(0.05)
<b>As at 31 March 2025</b>	<b>171.67</b>	<b>82.02</b>	<b>-</b>	<b>253.69</b>
<b>Amortization and impairment</b>				
<b>As at 1 April 2023</b>	<b>-</b>	<b>24.17</b>	<b>0.05</b>	<b>24.22</b>
Charge for the year	-	1.16	-	1.16
<b>As at 31 March 2024</b>	<b>-</b>	<b>25.33</b>	<b>0.05</b>	<b>25.38</b>
Charge for the year	-	12.94	-	12.94
Deletions during the year	-	-	(0.05)	(0.05)
<b>As at 31 March 2025</b>	<b>-</b>	<b>38.27</b>	<b>-</b>	<b>38.27</b>
<b>Carrying amount</b>				
<b>As at 31 March 2025</b>	<b>171.67</b>	<b>43.70</b>	<b>-</b>	<b>215.42</b>
<b>As at 31 March 2024</b>	<b>171.67</b>	<b>2.39</b>	<b>-</b>	<b>174.06</b>

**Note:** The Group has not revalued its intangible assets during the current or previous year.

**Allocation of goodwill to Cash Generating Units**

Particulars	As at 31 March 2025	As at 31 March 2024
Sobha City	123.85	123.85
Kuthavakkam Builders Private Limited	47.82	47.82
	<b>171.67</b>	<b>171.67</b>

**SOBHA LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**8 INTANGIBLE ASSETS (Cont'd)**

For impairment testing, goodwill is allocated to a CGU representing the lowest level within the Group at which goodwill is monitored for internal management purposes. Goodwill is tested for impairment at least annually in accordance with the Group's procedure for determining the recoverable value of each CGU. The recoverable amount of the CGU is determined on the basis of Higher of value in use or Fair Value Less Cost of Disposal (FVLCD). The recoverable amount of the CGU is determined based on the discounted cash flow approach, using the discount rate and terminal income growth rate from unobservable market data by the Management for the year ended 31 March 2025. The discount rate applied to the cash flow projections is within the range of 17% (31 March 2025: 17%) and cash flows beyond the five-year period were extrapolated using a growth rate of 8% (31 March 2024: 8%), which was the same as the long term average growth rate of the real estate industry in the India. The fair value measurement is categorised as a level 3 fair value based on the inputs in the valuation techniques used. Goodwill acquired through business combinations have been allocated to the reporting units for impairment testing. As at 31 March 2025, the estimated recoverable amount of the CGU exceeded its carrying amount. Reasonable sensitivities in key assumptions is unlikely to cause the carrying amount to exceed the recoverable amount of the cash generating units.

**9 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD**

Particulars	As at 31 March 2025	As at 31 March 2024
Investment in associates (refer note a below)	-	-
Investments in joint ventures (refer note b below)	1,146.20	1,149.33
	<b>1,146.20</b>	<b>1,149.33</b>

Particulars	Principal activities	Place of registration	% of voting rights			
			As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
<b>a. Investment in associate</b>						
<b>Investment in equity instruments (Unquoted)</b>						
(i) C.V.S.Tech Park Private Limited (till 14 February 2024)	Real estate	India	NA	49%	-	-
<b>b. Investments in joint venture</b>						
<b>In Limited Liability Partnership (LLP) firm</b>						
50% (31 March 2024 - 50%) share in the profits of partnership firm:						
Kondhwa Projects LLP	Real estate	India	50%	50%		
- Capital account					0.05	0.05
- Current account					1,146.15	1,149.28
					<b>1,146.20</b>	<b>1,149.33</b>
					<b>1,146.20</b>	<b>1,149.33</b>
<b>Aggregate amount of quoted investments and market value thereof</b>					-	-
<b>Aggregate amount of unquoted investments</b>					<b>1,146.20</b>	<b>1,149.33</b>
<b>Aggregate amount of impairment in value of investments</b>					-	-

The principle place of business of all the investments of the Holding Company is India.

**SOBHA LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**9 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Cont'd)****Investment in Joint venture (Kondhwa Projects LLP)**

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Share of the joint venture's statement of financial position:</b>		
Non current assets		
Propoerty, Plant, and Equipment	2,285.56	2,285.56
Current assets		
Cash and Cash Equivalents	0.01	6.60
Other Current Assets	6.86	6.86
	2,292.43	2,299.02
Non current liabilities	-	-
Current liabilities	(0.03)	(0.37)
Equity	2,292.40	2,298.65
Proportion of group ownership (50%)	1,146.20	1,149.33
Group's carrying amount of the investment (50%)	1,146.20	1,149.33

**Note:** The Group has complied with number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

**10 INVENTORIES****(Valued at cost or net realisable value, which ever is lower)**

Particulars	As at 31 March 2025	As at 31 March 2024
Raw materials, components and stores	835.54	600.70
Building materials	1,508.75	1,525.16
Land stock (*)	8,550.16	5,909.67
Right of use asset - Land (#)	2,171.19	-
Work-in-progress		
- Real estate projects (*)	90,592.23	79,017.98
- Others	514.24	624.45
Stock of units in completed real estate projects (*)	8,207.05	5,954.67
Finished goods	143.33	131.50
	<b>112,522.49</b>	<b>93,764.13</b>

(\*)Refer note 43 for details of inventories pledged as security for borrowings.

(#)The Group has entered into lease agreements for the acquisition of land for construction purposes for a substantial period of time. In accordance with Paragraph 25 of Ind AS 116 – Leases, the Group, being the lessee, has recognised the costs referred to in Paragraph 24(d) of Ind AS 116 as part of the cost of the right-of-use (ROU) asset.

Considering the nature of its business, the Group has applied the principles of Ind AS 2 – Inventories, whereby the costs incurred during a particular period, as a consequence of using the ROU asset to produce inventories, have been classified as inventories.

The obligations related to such costs, recognised under Ind AS 116 and Ind AS 2, are measured and accounted for in accordance with Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets.

**Note:** The write-down (net) of inventories to net realisable value for the year ended 31 March 2025 is ₹ 57.58 (31 March 2024: ₹ 54.82). This was recorded as an expense during the respective years and included in 'changes in inventories' in consolidated statement of profit and loss.

**SOBHA LIMITED**
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**11 TRADE RECEIVABLES**

Particulars	Non-current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Trade receivables considered good - unsecured	540.53	393.45	2,183.34	2,278.52
Trade receivables - credit impaired	-	-	-	29.12
	<b>540.53</b>	<b>393.45</b>	<b>2,183.34</b>	<b>2,307.64</b>
<b>Less:</b> Impairment allowance (allowance for credit loss) (refer note no 41B)				
Trade receivables considered good - unsecured	-	-	(319.58)	(633.27)
Trade receivables - credit impaired	-	-	-	(29.12)
<b>Net trade receivables</b>	<b>540.53</b>	<b>393.45</b>	<b>1,863.76</b>	<b>1,645.25</b>

**Note:**

- Trade receivables due by firms or private companies in which the director of the Company is a partner or a director or a member (refer note 35)
- Trade receivables from other related parties (refer note 35)
- Refer Note 43 for details of Trade receivables pledged as security for borrowings

**d. Trade receivable ageing schedule**

As at 31 March 2025	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
<b>A. Non-current</b>							
Undisputed Trade receivables-considered good	540.53	-	-	-	-	-	540.53
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivables-credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables-considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables-credit impaired	-	-	-	-	-	-	-
<b>Total of Non-current</b>	<b>540.53</b>	-	-	-	-	-	<b>540.53</b>

**SOBHA LIMITED**
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**11 TRADE RECEIVABLES (Cont'd)**
**d. Trade receivable ageing schedule (Cont'd)**

As at 31 March 2025	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
<b>B. Current</b>							
Undisputed Trade receivables-considered good	118.65	973.68	615.68	54.32	85.96	248.73	2,097.02
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivables-credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables-considered good	-	-	-	-	-	86.32	86.32
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables-credit impaired	-	-	-	-	-	-	-
<b>Total of Current</b>	<b>118.65</b>	<b>973.68</b>	<b>615.68</b>	<b>54.32</b>	<b>85.96</b>	<b>335.05</b>	<b>2,183.34</b>

As at 31 March 2024	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
<b>A. Non-current</b>							
Undisputed Trade receivables-considered good	373.74	2.99	4.20	1.79	0.57	10.16	393.45
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivables-credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables-considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables-credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>373.74</b>	<b>2.99</b>	<b>4.20</b>	<b>1.79</b>	<b>0.57</b>	<b>10.16</b>	<b>393.45</b>
<b>B. Current</b>							
Undisputed Trade receivables-considered good	235.84	934.41	254.10	135.79	159.09	469.73	2,188.96
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivables-credit impaired	-	-	-	-	-	29.12	29.12

**SOBHA LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**11 TRADE RECEIVABLES (Cont'd)****d. Trade receivable ageing schedule (Cont'd)**

As at 31 March 2024	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Disputed Trade receivables- considered good	-	-	0.68	0.74	0.83	87.31	89.56
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables- credit impaired	-	-	-	-	-	-	-
<b>Total of Current</b>	<b>235.84</b>	<b>934.41</b>	<b>254.78</b>	<b>136.53</b>	<b>159.92</b>	<b>586.16</b>	<b>2,307.64</b>

e. Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

f. There are no debt due by Directors or other officers of the Group or any of them either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member shall be separately stated.

**12 OTHER FINANCIAL ASSETS**

Particulars	Non-current		Current	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
<b>Unsecured, considered good</b>				
Refundable deposits towards joint development agreement	205.00	180.00	6,023.13	3,045.59
Security deposit	248.89	53.37	56.19	137.43
Earnest money deposit	-	466.74	-	-
External/Internal development charges (EDC/IDC)	-	-	79.45	144.36
Settlement share recoverable	-	-	199.35	599.87
Other receivables	130.00	-	154.17	234.17
<b>Fixed deposits with maturity for more than 12 months</b>				
- Pledged/under lien/earmarked/margin money (^)	33.98	207.37	-	-
	<b>617.87</b>	<b>907.48</b>	<b>6,512.29</b>	<b>4,161.42</b>

**Note:** Refer Note 43 for details of deposits pledged as security for borrowings.

(^)^Includes interest accrued but not due.

**SOBHA LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**13 OTHER ASSETS**

Particulars	Non-current		Current	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
<b>Unsecured, considered good</b>				
Land advances (*)	8,439.68	9,115.49	175.30	312.95
Advances recoverable in kind	0.24	0.24	494.95	897.96
Prepaid expenses	-	-	1,894.96	1,625.57
Balances with statutory/government authorities	-	-	1,328.34	878.46
Unbilled revenue (^)	-	-	1,467.18	1,736.87
Advances for joint development arrangements (#)	1,396.49	1,654.82	2,305.98	663.20
Other receivables	347.63	11.12	3.77	8.71
<b>Unsecured, considered doubtful</b>				
Land advances (**)	290.67	82.63	-	-
<b>Less:</b> Provision for doubtful advances	(290.67)	(82.63)	-	-
	<b>10,184.04</b>	<b>10,781.67</b>	<b>7,670.48</b>	<b>6,123.72</b>

(\*)Advances for land though unsecured, are considered good as the advances have been given based on arrangements/memorandum of understanding executed by the Group and the Group/seller/intermediary has either already obtained a clear and marketable title, or is in the process of obtaining the same.

(^)Classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

(#)Advances under Joint Development Arrangements (JDA) are paid predominantly under JDA agreement/MOU's where there are certain conditions precedent to execute and register a JDA agreement. On completion of such conditions precedent and registration of JDA, such advances are usually reclassified to refundable deposit based on the terms of the registered JDA.

(\*\*)Land advances written off for the year ended 31 March 2025 is ₹ 125.34 (31 March 2024 is ₹ 218.37) and provision for doubtful debts on land advances as at 31 March 2025 is ₹ 290.67 (31 March 2024 is ₹ 82.63).

**Note**

Particulars	Non-current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
a. Advances recoverable in kind from firms or private companies in which the director of the Holding Company is a partner or a director or a member	-	-	-	11.06
b. Includes from related parties				
Land advances (refer note 35)	7,629.77	7,962.80	-	-
Advances recoverable in kind (refer note 35)	-	-	-	177.24

**SOBHA LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**14 CASH AND CASH EQUIVALENTS**

<b>Particulars</b>	<b>As at 31 March 2025</b>	<b>As at 31 March 2024</b>
Balances with banks in current accounts (*)	1,262.25	1,082.91
Cash on hand	3.38	4.49
Cheques/drafts on hand	-	49.91
	<b>1,265.63</b>	<b>1,137.31</b>

(\*)Includes amount held in escrow account for projects under Real Estate Regulation and Development Act, 2016, to be utilised for project specific purposes.

558.95

576.19

**Note:**

- (i) Changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes:

<b>Liabilities</b>	<b>Non-cash changes</b>					<b>As at 31 March 2025</b>
	<b>As at 1 April 2024</b>	<b>Cash flow</b>	<b>Amortization of transaction cost</b>	<b>Accrued Interest</b>	<b>Initial recognition of Lease Liability</b>	
Borrowings from bank and other parties	19,135.09	(7,826.33)	-	-	-	11,308.76
Interest on Borrowings	20.59	(1,702.33)	-	1,712.23	-	30.49
Unclaimed dividend	2.00	(0.07)	-	-	-	1.93
Dividend	-	(302.62)	-	-	-	-
Lease liabilities	262.24	(82.50)	-	25.54	320.58	525.86
Share Capital (including securities premium)	10,277.38	19,842.21	-	-	-	30,119.59

<b>Liabilities</b>	<b>Non-cash changes</b>					<b>As at 31 March 2024</b>
	<b>As at 1 April 2023</b>	<b>Cash flow</b>	<b>Amortization of transaction cost</b>	<b>Accrued Interest</b>	<b>Initial recognition of Lease Liability</b>	
Borrowings from bank and other parties	20,035.49	(900.40)	-	-	-	19,135.09
Interest on Borrowings	62.39	(2,122.68)	-	2,080.88	-	20.59
Unclaimed dividend	2.00	-	-	-	-	2.00
Dividend	-	(284.54)	-	-	-	-
Lease liabilities	232.81	(74.01)	-	25.12	78.32	262.24
Share Capital (including securities premium)	10,277.38	-	-	-	-	10,277.38

**SOBHA LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**15 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS**

Particulars	As at	
	31 March 2025	31 March 2024
<b>Earmarked bank balances</b>		
- On unclaimed dividend account	1.52	2.00
<b>Fixed deposits with banks with maturity less than 12 months (*)^(^)</b>		
- Pledged/under lien/earmarked/margin money (^)	16,821.52	5,593.64
	<b>16,823.04</b>	<b>5,595.64</b>

(\*)Includes amount held in escrow account for projects under Real Estate Regulation and Development Act, 2016, to be utilised for project specific purposes.

(^)^Refer Note 43 for details of deposits pledged as security for borrowings.

(^^)Includes interest accrued but not due.

**16 EQUITY SHARE CAPITAL**

Particulars	31 March 2025		31 March 2024	
	No of shares	Amount	No of shares	Amount
<b>Authorised shares(*)</b>				
Equity shares of ₹ 10 each (in ₹)	150,000,000	1,500.00	150,000,000	1,500.00
<b>Issued, subscribed and fully paid-up shares</b>				
Equity shares of ₹ 10 (in ₹) each fully paid up	106,918,751	1,069.18	94,845,853	948.46
Equity shares of ₹ 10 (in ₹) each partly paid up of ₹ 5 each (refer note no 45)	35,083	0.18	-	-
<b>Total</b>	<b>106,953,834</b>	<b>1,069.36</b>	<b>94,845,853</b>	<b>948.46</b>

(\*)Excludes 5,000,000, 7% Redeemable preference shares of ₹ 100 each amounting to ₹ 500 (31 March 2024: ₹ 500).

**(a) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year**

Particulars	31 March 2025		31 March 2024	
	No of shares	Amount	No of shares	Amount
Equity shares				
At the beginning of the year	94,845,853	948.46	94,845,853	948.46
Issued during the year (refer note no 45)	12,107,981	120.90	-	-
<b>Outstanding at the end of the year</b>	<b>106,953,834</b>	<b>1,069.36</b>	<b>94,845,853</b>	<b>948.46</b>

**(b) Terms/rights attached to equity shares**

The Group has only one class of equity shares having a par value of ₹ 10 per share (in ₹) fully paid up. Each holder of equity shares is entitled to one vote per share. The Group declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting.

During the year Group has issued shares to existing shareholders (refer note no 45)

## SOBHA LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

(All amounts in ₹ millions, unless otherwise stated)

In the event of liquidation of the Group, the holders of equity shares would be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### (c) Details of equity shareholders holding more than 5% shares in the Holding Company

Name of shareholder	31 March 2025		31 March 2024	
	No of shares	Holding %	No of shares	Holding %
<i>Equity shares of ₹ 10 (in ₹) each fully paid up</i>				
Mrs. Sobha Menon	32,761,059	30.64%	28,726,420	30.29%
Mr. P.N.C. Menon	14,186,456	13.27%	12,339,259	13.01%
Mr. P.N.C. Menon (inclusive of joint holding with Mrs. Sobha Menon)	5,964,252	5.58%	5,289,054	5.58%
Anamudi Real Estates LLP	5,947,134	5.56%	9,475,096	9.99%

#### (d) Details of shares held by promoters

Promoter Name	31 March 2025			31 March 2024		
	No. of shares	% of total shares	% change during the year (#)	No. of shares	% of total shares	% change during the year
Mrs. Sobha Menon	32,761,059	30.63%	0.34%	28,726,420	30.29%	-
Mr. P.N.C. Menon	14,186,456	13.26%	0.25%	12,339,259	13.01%	0.02%
Mr. P.N.C. Menon (inclusive of joint holding with Mrs. Sobha Menon) **	5,964,252	5.58%	0.00%	5,289,054	5.58%	-
Mr. Ravi PNC Menon **	3,596,301	3.36%	0.00%	3,185,930	3.36%	-

# Since the Group issued equity shares by way of rights issue during the year, shareholding of promoters has changed.

\*\* Certain percentages that are required to be presented and do not appear due to rounding off are expressed as "0.00%".

(e) There have been no buy back of shares, issue of bonus shares and issue of shares pursuant to contract without payment being received in cash for the period of 5 years immediately preceding the reporting date.

(f) There are no shares reserved for issue under options and contracts/commitments for sale of shares/disinvestments.

## 17 OTHER EQUITY

Particulars	As at	As at
	31 March 2025	31 March 2024
Capital redemption reserve	119.47	119.47
Securities premium	29,050.73	9,328.92
General reserve	4,596.51	4,501.82
Retained earnings (including OCI)	10,769.08	10,242.08
	<b>44,535.70</b>	<b>24,192.28</b>

**SOBHA LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**17 OTHER EQUITY (CONT'D)**

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Capital reserve</b>		
Balance at the beginning and end of the year	119.47	119.47
<b>Closing balance</b>	<b>119.47</b>	<b>119.47</b>
<b>Securities premium</b>		
Balance at the beginning and end of the year	9,328.92	9,328.92
<b>Add:</b> Premium on issue of equity shares [Refer note (b) below]	19,721.72	-
<b>Closing balance</b>	<b>29,050.64</b>	<b>9,328.92</b>
<b>General reserve</b>		
Balance at the beginning of the year	4,501.81	4,452.70
<b>Add:</b> Transfer from consolidated statement of profit and loss	94.69	49.11
<b>Closing balance</b>	<b>4,596.50</b>	<b>4,501.81</b>
<b>Surplus in the statement of profit and loss</b>		
Balance at the beginning of the year	10,242.08	10,097.16
Profit for the year	946.86	491.13
Other comprehensive income		
Re-measurement loss on defined benefit plans	(22.55)	(12.56)
<b>Less:</b> Appropriations		
Dividend (including dividend distribution tax) refer note 18	(302.62)	(284.54)
Transfer to general reserve	(94.69)	(49.11)
<b>Net surplus in the consolidated statement of profit and loss</b>	<b>10,769.08</b>	<b>10,242.08</b>
<b>Total other equity</b>	<b>44,535.70</b>	<b>24,192.28</b>

**Nature and purpose of reserve****(a) Capital redemption reserve**

The Group recognises profit and loss on purchase, sale, issue or cancellation of the Group's own equity instruments to capital redemption reserve.

**(b) Securities premium**

Securities premium reserve is used to record the premium received on issue of shares by the Group. The reserve can be utilised in accordance with the provision of Section 52 of Companies Act, 2013.

**(c) General reserve**

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

**(d) Retained earnings**

The cumulative gain or loss arising from the operations which is retained by the Group is recognised and accumulated under the heading of retained earnings.

**SOBHA LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**18 DISTRIBUTION MADE AND PROPOSED**

Particulars	31 March 2025	31 March 2024
<b>Final dividend on equity shares declared and paid</b>		
₹ 3 per share for the year ended 31 March 2024 (*)	302.62	-
₹ 3 per share for the year ended 31 March 2023	-	284.54
	<b>302.62</b>	<b>284.54</b>
<b>Details of proposed final dividend on equity shares (*)</b>		
₹ 3 per share for the year ended 31 March 2025	320.81	-
₹ 3 per share for the year ended 31 March 2024	-	284.54
	<b>320.81</b>	<b>284.54</b>

(\*) Proposed dividends on equity shares are subject to the approval of the shareholders at the ensuing annual general meeting and are not recognised as a liability as at respective balance sheet dates.

(\*) The Holding Company has paid dividend for the year ended 31 March 2025 of ₹ 302.62 (including proportionate dividend of ₹ 1.50 per right share paid amounting to ₹ 18.08) (for the year ended 31 March 2024 of ₹ 284.54).

**19 BORROWINGS**

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Non-current borrowings</b>		
<b>Term loans (Secured)</b>		
- from banks	6,016.83	7,773.41
- from other parties	2,988.74	3,011.48
	<b>9,005.57</b>	<b>10,784.89</b>
<b>Term loans (Unsecured)</b>		
- from banks	-	993.06
<b>Less: Current maturities of long term borrowings</b>	(1,344.85)	(4,614.46)
<b>Total non-current borrowings</b>	<b>7,660.72</b>	<b>7,163.49</b>
<b>Current borrowings</b>		
<b>Term loans (Secured)</b>		
- from banks	-	98.29
- from other parties	-	952.69
<b>Loans repayable on demand</b>		
- from banks	1,824.57	3,650.98
Cash credit from banks	478.62	2,655.18
Current maturities of long term borrowings	1,344.85	4,614.46
<b>Total current borrowings</b>	<b>3,648.04</b>	<b>11,971.60</b>
<b>Total borrowings</b>	<b>11,308.76</b>	<b>19,135.09</b>

**Notes:**

- The Group has been sanctioned a working capital limit in excess of ₹ 5 crores by banks and financial institutions based on the security of current assets. The quarterly returns/statements, in respect of the working capital limits have been filed by the Group with such banks and financial institutions and such returns/statements are in agreement with the books of account of the Group for the respective periods, which were not subject to audit/review.

## SOBHA LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

(All amounts in ₹ millions, unless otherwise stated)

#### 19 BORROWINGS (Cont'd)

- ii) None of the entities in the Group have been declared a wilful defaulter by any bank or financial institution or government or any government authority.

Particulars	As at 31 March 2025	As at 31 March 2024	Effective interest rat	Security Details	Repayment Terms
<b>Non-current borrowings</b>					
Term loans from banks	-	1,154.17	8%-10%	<b>Secured by way of</b> a. equitable mortgage on immovable properties of the project b. equitable mortgage on vacant land parcels c. hypothecation of escrow balances, other current assets and receivables (both present and future) of the project	Repayable in 10 equal quarterly installments, after a moratorium period of 39 months from the date of first disbursement.
Term loans from banks	1,306.24	1,394.52	8%-10%	<b>Secured by way of</b> a. equitable mortgage on immovable properties of the project b. equitable mortgage on vacant land parcels c. hypothecation of escrow balances, other current assets and receivables (both present and future) of the project	Repayable in 153 monthly installments, after a moratorium period of 3 months from the date of first disbursement.
Term loans from banks	-	179.55	8%-10%	<b>Secured by way of</b> a. first charge on the Holding Company's share of inventory in the project b. equitable mortgage on vacant land parcels c. hypothecation of escrow balances, other current assets and Company's share of receivables (both present and future) of the project and debt service reserve account	Repayable in 10 equal quarterly installments, after a moratorium period of 42 months from the date of first disbursement.
Term loans from banks	447.39	548.47	8%-10%	<b>Secured by way of</b> a. mortgage of Investment Property of the Group b. hypothecation of receivables (both present and future) of the relation to the Investment Property c. corporate guarantee from the Group	Repayable in 126 monthly installments, after a moratorium period of 3 months from the date of first disbursement.
Term loans from banks	-	372.03	8%-10%	<b>Security charge by way of</b> a. equitable mortgage of immovable property of the Subsidiary project b. first Charge on Escrow balances and all assets of the Subsidiary project c. Corporate guarantee of the subsidiary*	Repayable in 15 equal quarterly installments, after a moratorium period of 3 months from the date of first disbursement.

**SOBHA LIMITED**
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**19 BORROWINGS (Cont'd)**

Particulars	As at 31 March 2025	As at 31 March 2024	Effective interest rat	Security Details	Repayment Terms
Term loans from banks	-	1,168.74	8%-10%	<b>Secured by way of</b> a. equitable mortgage on immovable properties of the project b. equitable mortgage on vacant land parcels c. hypothecation of Escrow balances, other current assets and receivables (both present and future) of the project and Debt Service Reserve account	Repayable in 10 equal quarterly installments, after a moratorium period of 51 months from the date of first disbursement.
Term loans from banks	-	74.17	8%-10%	<b>Secured by way of</b> a. first charge on property, plant and equipment b. equitable mortgage on vacant land parcels	Repayable in 16 equal quarterly installments from the date of first disbursement
Term loans from banks	-	46.84	8%-10%	<b>Security charge by way of</b> a. equitable mortgage on immovable properties of the project b. hypothecation of receivables (both present and future)	Repayable in 48 quarterly installments, after a moratorium period of 30 months from the date of first disbursement.
Term loans from banks	-	374.47	8%-10%	<b>Secured by way of</b> a. equitable mortgage of immovable property of the Subsidiary project b. first charge on all assets of the Subsidiary project	Repayable in 36 equal quarterly installments, after a moratorium period of 12 months from the date of first disbursement.
Term loans from banks	-	186.46	8%-10%	<b>Secured by way of</b> a. first charge on the Holding Company's share of inventory of the project b. hypothecation of escrow balances and Company's share of receivables (both present and future) of the project and debt service reserve account	Repayable in 24 monthly installments, after a moratorium period of 36 months from the date of first disbursement.
Term loans from banks	-	839.04	9%-10%	<b>Secured by way of</b> a. registered mortgage on immovable properties of the project b. hypothecation of escrow balances, other current assets and receivables (both present and future) of the project and Debt Service Reserve account	Repayable in 36 monthly installments, after a moratorium period of 12 months from the date of first disbursement.

**SOBHA LIMITED**
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**19 BORROWINGS (Cont'd)**

Particulars	As at 31 March 2025	As at 31 March 2024	Effective interest rat	Security Details	Repayment Terms
Term loans from banks	186.45	497.83	9%-10%	<b>Secured by way of</b> a. equitable mortgage on immovable properties of the project(both present and future) b. hypothecation of receivables (both present and future)	Repayable in 8 equal quarterly installments, after a moratorium period of 12 months from the date of first disbursement.
Term loans from banks	522.44	661.73	9%-11%	<b>Secured by way of</b> a. mortgage of property owned by Group b. mortgage of building owned by the Holding Company c. corporate guarantee of Group	Repayable in 20 equal quarterly installments from the date of first disbursement.
Term loans from banks	-	275.39	9%-10%	<b>Security charge by way of</b> a. hypothecation of escrow balances, other current assets and receivables (both present and future) of the project and debt service reserve account	Repayable in 11 equal quarterly installments, after a moratorium period of 3 months from the date of first disbursement.
Term loans from banks	797.33	-	8%-10%	<b>Secured by way of</b> a. hypothecation of escrow balances, other current assets and receivables (both present and future) of the project and Debt Service Reserve account b. negative lien on vacant land parcels	Repayable in 11 equal quarterly installments, after a moratorium period of 3 months from the date of first disbursement.
Term loans from banks	558.48	-	8%-10%	<b>Secured by way of</b> a. equitable mortgage of immovable property of the Subsidiary project b. hypothecation of receivables (both present and future) c. first Charge on escrow balances and all assets of the Subsidiary project d. corporate guarantee of the group	Repayable in 10 equal quarterly installments from the date of first disbursement.
Term loans from banks	1,733.51	-	8%-10%	<b>Secured by way of</b> a. hypothecation of escrow balances and Holding Company's share of receivables (both present and future) of the project and debt service reserve account	Repayable in 36 monthly installments, after a moratorium period of 24 months from the date of first disbursement.

**SOBHA LIMITED**
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**19 BORROWINGS (Cont'd)**

Particulars	As at 31 March 2025	As at 31 March 2024	Effective interest rat	Security Details	Repayment Terms
Term loans from other parties	1,491.34	-	8%-10%	<b>Secured by way of</b> <ol style="list-style-type: none"> <li>equitable mortgage on the Holding Company's share of inventory of the project</li> <li>registered mortgage on immovable properties of the project</li> <li>hypothecation of escrow balances and Company's share of receivables (both present and future) of the project</li> </ol>	Repayable in 84 monthly installments, after a moratorium period of 48 months from the date of first disbursement.
Term loans from other parties	985.14	-	8%-10%	<b>Secured by way of</b> <ol style="list-style-type: none"> <li>equitable mortgage on the Holding Company's share of inventory of the project</li> <li>hypothecation of escrow balances and Company's share of receivables (both present and future) of the project</li> </ol>	Repayable in 24 monthly installments, after a moratorium period of 36 months from the date of first disbursement.
Term loans from banks	10.60	-	8%-10%	<b>Secured by way of</b> <ol style="list-style-type: none"> <li>hypothecation of identified equipment</li> </ol>	Repayable in 48 monthly installments, after a moratorium period of 2 months from the date of first disbursement.
Term loans from banks	287.20	-	8%-10%	<b>Secured by way of</b> <ol style="list-style-type: none"> <li>mortgage of land and building owned by the Holding Company</li> </ol>	Repayable in 20 equal quarterly installments from the date of first disbursement.
Term loans from other banks	167.19	386.32	9%-11%	<b>Secured by way of</b> <ol style="list-style-type: none"> <li>mortgage of property owned by Group</li> <li>mortgage of building owned by the Holding Company</li> <li>corporate guarantee of Group</li> </ol>	Repayable in 20 equal quarterly installments, after a moratorium period of 6 months from the date of first disbursement.
Term loans from other parties	-	826.41	8%-10%	<b>Secured by way of</b> <ol style="list-style-type: none"> <li>first charge on the Holding Company's share of Inventory of the project</li> <li>hypothecation of escrow balances and Holding Company's share of receivables (both present and future) of the project</li> </ol>	Repayable in 24 monthly installments, after a moratorium period of 48 months from the date of first disbursement.

**SOBHA LIMITED**
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**19 BORROWINGS (Cont'd)**

Particulars	As at 31 March 2025	As at 31 March 2024	Effective interest rat	Security Details	Repayment Terms
Term loans from other parties	-	420.71	8%-10%	<b>Secured by way of</b> a. equitable mortgage on the Holding Company's share of Inventory of the project b. equitable mortgage on vacant land parcels c. hypothecation of Escrow balances and Holding Company's share of receivables (both present and future) of the project	Repayable in 24 equal monthly installments, after a moratorium period of 24 months from the date of first disbursement.
Term loans from other parties	-	147.06	8%-10%	<b>Secured by way of</b> a. equitable mortgage on the Holding Company's share of Inventory of the project b. hypothecation of Escrow balances and Holding Company's share of receivables (both present and future) of the project	Repayable in 24 monthly installments, after a moratorium period of 24 months from the date of first disbursement.
Term loans from other parties	-	325.17	9%-10%	<b>Secured by way of</b> a. equitable mortgage on vacant land parcels b. hypothecation of Escrow balances and Holding Company's share of receivables (both present and future) of the project c. corporate guarantee of Group	Repayable in 24 equal monthly installments, after a moratorium period of 24 months from the date of first disbursement.
Term loans from other parties	512.26	905.81	8%-10%	<b>Secured by way of</b> a. equitable mortgage on the Holding Company's share of Inventory of the project b. equitable mortgage on vacant land parcels c. hypothecation of Escrow balances and Holding Company's share of receivables (both present and future) of the project	Repayable in 36 monthly installments, after a moratorium period of 36 months from the date of first disbursement.
Term loans from banks	-	993.06	9%-11%	Unsecured	Repayable in 30 equal monthly installments, after a moratorium period of 24 months from the date of first disbursement.
<b>Sub - total</b>	<b>9,005.57</b>	<b>11,777.95</b>			

**SOBHA LIMITED**
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**19 BORROWINGS (Cont'd)**

Particulars	As at 31 March 2025	As at 31 March 2024	Effective interest rat	Security Details	Repayment Terms
<b>Current borrowings</b>					
Loans from banks	500.00	-	8%-10%	<b>Secured by way of</b> a. equitable mortgage on vacant land parcels b. secured by way of inventory and receivables of the unencumbered project	Repayable on demand
Loans from banks	695.70	695.76	8%-10%	<b>Secured by way of</b> a. first charge on inventory, receivables and other current assets of the manufacturing division b. equitable mortgage on vacant land parcels	Repayable on demand
Loans from banks	-	1,475.87	8%-10%	<b>Secured by way of</b> a. first charge on inventory of the project b. first charge on identified moveable fixed assets of the Holding Company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels e. first charge on Industrial land, Building and Commercial building	Repayable on demand
Term loans from banks	-	98.29	8%-10%	<b>Secured by way of</b> a. first charge on the Holding Company's share of Inventory of the project b. hypothecation of Escrow balances and Holding Company's share of receivables (both present and future) of the project and Debt Service Reserve account c. fund shortfall undertaking by the director of the Holding Company towards funding of underlying projects (*)	Repayable in 24 monthly installments, after a moratorium period of 36 months from the date of first disbursement.
Loans from banks	-	479.35	8%-10%	<b>Secured by way of</b> a. first charge on the Holding Company's share of Inventory of the project b. hypothecation of Escrow balances and Holding Company's share of receivables (both present and future) of the project and Debt Service Reserve account	Repayable on demand

**SOBHA LIMITED**
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**19 BORROWINGS (Cont'd)**

Particulars	As at 31 March 2025	As at 31 March 2024	Effective interest rat	Security Details	Repayment Terms
Loans from banks	628.87	1,000.00	8%-10%	<b>Secured by way of</b> a. first charge on inventory of the project receivables and inventory of contractual business b. first charge on identified moveable fixed assets of the Holding Company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels e. first charge on Industrial land, Building and Commercial building	Repayable on demand
Term loans from other parties	-	581.07	8%-10%	<b>Secured by way of</b> a. equitable mortgage on the Holding Company's share of Inventory of the project b. equitable mortgage on vacant land parcels c. hypothecation of Escrow balances and Holding Company's share of receivables (both present and future) of the project	Repayable in 24 equal monthly installments, after a moratorium period of 24 months from the date of first disbursement.
Term loans from other parties	-	371.62	9%-10%	<b>Secured by way of</b> a. equitable mortgage on vacant land parcels b. hypothecation of Escrow balances and Holding Company's share of receivables (both present and future) of the project c. corporate guarantee of Group	Repayable in 24 equal monthly installments, after a moratorium period of 24 months from the date of first disbursement.
Cash credit	-	1,815.15	9%-11%	<b>Secured by way of</b> a. equitable mortgage on vacant land parcels b. hypothecation of receivables (both present and future) of projects	Repayable on demand
Cash credit	132.28	301.28	8%-10%	<b>Secured by way of</b> a. equitable mortgage on vacant land parcels b. secured by way of inventory and receivables of the unencumbered project	Repayable on demand

**SOBHA LIMITED**
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**19 BORROWINGS (Cont'd)**

Particulars	As at 31 March 2025	As at 31 March 2024	Effective interest rat	Security Details	Repayment Terms
Cash credit	0.10	-	8%-10%	<b>Secured by way of</b> a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels e. first charge on Industrial land, Building and Commercial building	Repayable on demand
Cash credit	261.59	126.60	8%-10%	<b>Secured by way of</b> a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the Holding Company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels e. first charge on Industrial land, Building and Commercial building	Repayable on demand
Cash credit	-	163.39	7%-9%	<b>Secured by way of</b> a. first charge on inventory, receivables and other current assets of the manufacturing division b. equitable mortgage on vacant land parcels	Repayable on demand
Cash credit	30.00	8.14	7%-9%	<b>Secured by way of</b> a. first charge on inventory, receivables and other current assets of the manufacturing division b. equitable mortgage on vacant land parcels	Repayable on demand
Cash credit	-	-	7%-9%	<b>Secured by way of</b> a. first charge on inventory, receivables and other current assets of the manufacturing division. b. equitable mortgage on vacant land parcels	Repayable on demand

**SOBHA LIMITED**
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**19 BORROWINGS (Cont'd)**

Particulars	As at 31 March 2025	As at 31 March 2024	Effective interest rat	Security Details	Repayment Terms
Cash credit	-	0.39	8%-10%	<b>Secured by way of</b> a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the Holding Company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels e. first charge on Industrial land, Building and Commercial building	Repayable on demand
Cash credit	6.18	0.32	7%-9%	<b>Secured by way of</b> a. first charge on inventory, receivables and other current assets of the manufacturing division. b. equitable mortgage on vacant land parcels"	Repayable on demand
Cash credit	-	124.22	8%-10%	<b>Secured by way of</b> a. first charge on the Holding Company's share of Inventory of the project b. hypothecation of Escrow balances and Holding Company's share of receivables (both present and future) of the project and Debt Service Reserve account	Repayable on demand
Cash credit	25.70	30.00	8%-10%	<b>Secured by way of</b> a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the Holding Company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels e. first charge on Industrial land, Building and Commercial building	Repayable on demand

**SOBHA LIMITED**
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**19 BORROWINGS (Cont'd)**

Particulars	As at 31 March 2025	As at 31 March 2024	Effective interest rat	Security Details	Repayment Terms
Cash credit	-	58.30	8%-10%	<b>Secured by way of</b> a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the Holding Company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels e. first charge on Industrial land, Building and Commercial building	Repayable on demand
Cash credit	-	10.22	8%-10%	<b>Secured by way of</b> a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the Holding Company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels e. first charge on Industrial land, Building and Commercial building	Repayable on demand
Cash credit	3.18	1.52	8%-10%	<b>Secured by way of</b> a. first charge on inventory of the project receivables and inventory of contractual business b. first charge on identified moveable fixed assets of the Holding Company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels e. first charge on Industrial land, Building and Commercial building	Repayable on demand
Cash credit	12.03	15.00	8%-10%	<b>Secured by way of</b> a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the Holding Company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels e. first charge on Industrial land, Building and Commercial building	Repayable on demand

**SOBHA LIMITED**
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**19 BORROWINGS (Cont'd)**

Particulars	As at 31 March 2025	As at 31 March 2024	Effective interest rat	Security Details	Repayment Terms
Cash credit	0.10	0.10	9%-10%	<b>Secured by way of</b> a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the Holding Company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels e. first charge on Industrial land, Building and Commercial building	Repayable on demand
Cash credit	0.10	0.10	9%-10%	<b>Secured by way of</b> a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the Holding Company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels e. first charge on Industrial land, Building and Commercial building	Repayable on demand
Cash credit	7.06	-	7%-9%	<b>Secured by way of</b> a. first charge on inventory, receivables and other current assets of the Manufacturing division. b. equitable mortgage on vacant land parcels	Repayable on demand
Cash credit	0.10	0.10	9%-10%	<b>Secured by way of</b> a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the Holding Company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels e. first charge on Industrial land, Building and Commercial building	Repayable on demand

**SOBHA LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**19 BORROWINGS (Cont'd)**

<b>Particulars</b>	<b>As at 31 March 2025</b>	<b>As at 31 March 2024</b>	<b>Effective interest rat</b>	<b>Security Details</b>	<b>Repayment Terms</b>
Cash credit	-	0.10	9%-10%	<b>Secured by way of</b> a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the Holding Company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels e. first charge on Industrial land, Building and Commercial building	Repayable on demand
Cash credit	-	0.10	9%-10%	<b>Secured by way of</b> a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the Holding Company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels e. first charge on Industrial land, Building and Commercial building	Repayable on demand
Cash credit	0.10	0.10	9%-10%	<b>Secured by way of</b> a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the Holding Company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels e. first charge on Industrial land, Building and Commercial building	Repayable on demand

**SOBHA LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**19 BORROWINGS (Cont'd)**

Particulars	As at 31 March 2025	As at 31 March 2024	Effective interest rat	Security Details	Repayment Terms
Cash credit	0.10	0.05	9%-10%	<b>Secured by way of</b> a. first charge on receivables and inventory of the contracting business and concrete product division b. first charge on identified moveable fixed assets of the Holding Company c. hypothecation of receivables of project d. equitable mortgage on vacant land parcels e. first charge on Industrial land, Building and Commercial building	Repayable on demand
<b>Sub - total</b>	<b>2,303.19</b>	<b>7,357.14</b>			
<b>Total borrowings</b>	<b>11,308.76</b>	<b>19,135.09</b>			

(\*) Refer note 35.

**20 OTHER FINANCIAL LIABILITIES**

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Current</b>		
Payable to land owner for acquisition of land/developmental rights	1,661.19	2,495.50
Security deposit received towards		
- Maintenance services	2,142.68	1,736.93
- Lease deposit	199.41	182.62
Letter of credit payable	86.43	521.78
Book overdraft	510.39	427.70
Revenue share payable under joint development agreement (refer note 35)	734.78	189.99
Interest accrued but not due on borrowings	30.49	20.59
Deferred lease rental	12.20	13.63
Unclaimed dividend (*)	1.92	2.00
Payable for purchase of property, plant and equipment	66.54	2.04
Payable to related parties (refer note 35)	176.18	192.41
Employee dues payable	166.69	144.39
Others	144.53	72.26
<b>Total other financial liabilities</b>	<b>5,933.43</b>	<b>6,001.84</b>

(\*) Investor Protection and Education Fund is credited for unclaimed dividends when due.

**SOBHA LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**21 PROVISIONS**

Particulars	Non-current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
<b>Provision for employee benefits</b>				
Provision for gratuity (refer note 37)	258.39	245.54	124.79	98.15
Provision for compensated absence	-	-	150.41	124.97
	<b>258.39</b>	<b>245.54</b>	<b>275.20</b>	<b>223.12</b>

**22 OTHER FINANCIAL LIABILITIES**

Particulars	Non-current	
	As at 31 March 2025	As at 31 March 2024
Payable to land owner for acquisition of land/developmental rights	1,020.06	-
	<b>1,020.06</b>	<b>-</b>

**23 TRADE PAYABLES**

Particulars	As at 31 March 2025	As at 31 March 2024
Dues of micro enterprises and small enterprises	-	-
Dues of creditors other than micro enterprises and small enterprises (refer note 35)	5,648.08	6,165.47
	<b>5,648.08</b>	<b>6,165.47</b>

**Trade payable ageing schedule**

As at 31 March 2025	Accrued	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total undisputed outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Total undisputed outstanding dues of creditors other than micro enterprises and small enterprises	1,439.25	1,771.98	2,151.86	120.96	78.99	85.04	5,648.08
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
	<b>1,439.25</b>	<b>1,771.98</b>	<b>2,151.87</b>	<b>120.96</b>	<b>78.99</b>	<b>85.04</b>	<b>5,648.08</b>

**SOBHA LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**23 TRADE PAYABLES (Cont'd)****Trade payable ageing schedule (Cont'd)**

As at 31 March 2024	Accrued	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total undisputed outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Total undisputed outstanding dues of creditors other than micro enterprises and small enterprises	1,097.73	1,067.88	3,794.81	110.18	40.31	54.56	6,165.47
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
	<b>1,097.73</b>	<b>1,067.88</b>	<b>3,794.81</b>	<b>110.18</b>	<b>40.31</b>	<b>54.56</b>	<b>6,165.47</b>

**Note:** Details of dues to Micro and Small Enterprises as per Micro, Small and Medium Enterprises Development Act, 2006.

The information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Group.

Particulars	As at 31 March 2025	As at 31 March 2024
i. Principal amount remaining unpaid to any supplier as at the year end	-	-
ii. Interest due thereon	-	-
iii. Amount of interest paid by the Group in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
iv. Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but with out adding the interest specified under the MSMED, 2006	-	-
v. Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
vi. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

**SOBHA LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**24 OTHER LIABILITIES**

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Contract liabilities</b>		
- Advance from customers	80,807.52	69,515.39
- Mobilisation advance	421.30	651.45
- Liability under joint development agreement (*)	18,877.50	8,250.87
- Deferred revenue	213.42	165.18
Withholding taxes payable	83.20	107.43
Goods and Services tax payable	348.30	208.86
Others	55.52	85.50
	<b>100,806.76</b>	<b>78,984.68</b>

(\*) Represents amount payable to landowners where the Holding Company has entered into joint development arrangements with landowners for joint development of properties on land in lieu of which, the Holding Company has agreed to transfer certain percentage of constructed area or certain percentage of the revenue proceeds, net of revenue recognised.

**25 REVENUE FROM OPERATIONS (REFER NOTE 35)**

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
<b>A Revenue from contract with customers</b>		
<b>I. Sale of products</b>		
Income from of constructed properties, plots and other development activities	32,061.75	22,377.08
Income from sale of land and development rights	386.35	286.10
Income from glazing works	1,575.16	1,723.91
Income from interior works	786.95	983.85
Income from concrete blocks	914.31	843.15
Income from retail sales	177.88	191.80
<b>II. Sale of services</b>		
Income from contractual activity	3,150.20	3,088.42
Income from maintenance and other services	491.13	519.37
<b>III. Other operating revenue</b>		
Forfeiture income	15.67	83.77
Interest collected from customers	38.84	71.05
Transfer fees	64.55	80.21
Marketing fee	17.29	15.67
Scrap sales	82.99	86.81
<b>Total (A)</b>	<b>39,763.07</b>	<b>30,351.19</b>
<b>B Rental income</b>		
Rental income from operating leases (refer note 38)	623.86	618.27
<b>Total (A+B)</b>	<b>40,386.93</b>	<b>30,969.46</b>

**SOBHA LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**25 REVENUE FROM OPERATIONS (REFER NOTE 35) (Cont'd)****Additional disclosures required under Ind AS 115****(a) Disaggregated revenue information**

Set out below is the disaggregation of the Group's revenue from contracts with customers by timing of transfer of goods or services:

<b>Particulars</b>	<b>Year ended 31 March 2025</b>	<b>Year ended 31 March 2024</b>
Revenue recognition at a point of time	31,267.81	22,143.75
Revenue recognition over period of time	8,495.26	8,207.44
	<b>39,763.07</b>	<b>30,351.19</b>

**(b) Contract balances**

The following table provides information about receivables and contract liabilities from contract with customers:

<b>Particulars</b>	<b>Year ended 31 March 2025</b>	<b>Year ended 31 March 2024</b>
<b>Contract assets</b>		
Unbilled revenue	1,467.18	1,736.87
<b>Total contract assets</b>	<b>1,467.18</b>	<b>1,736.87</b>
<b>Contract liabilities</b>		
Advance from customers (includes mobilisation advance)	81,228.82	70,166.84
Liability under joint development agreement	18,877.50	8,250.87
Deferred revenue	213.42	165.18
<b>Total contract liabilities</b>	<b>100,319.74</b>	<b>78,582.89</b>
<b>Receivables</b>		
Trade receivables (net of expected credit loss)	2,404.29	2,038.70
<b>Total receivables</b>	<b>2,404.29</b>	<b>2,038.70</b>

Unbilled revenue is initially recognised for revenue earned on account of contracts where revenue is recognised over the period of time as receipt of consideration is conditional on successful completion of performance obligations as per contract. Once the performance obligation is fulfilled and milestones for invoicing are achieved, contract assets are classified to trade receivables. Such unbilled revenue is classified as non-financial asset because the right to consideration depends on completion of contractual milestones.

Contract liabilities include advances received from customers as well as deferred revenue representing transaction price allocated to outstanding performance obligations.

**Cost to obtain the contract:**

(i) Amortisation in Statement of Profit and Loss: ₹ 303.44 (31 March 2024: ₹ 463.10)

(ii) Recognised as assets: ₹ 1,011.72 (31 March 2024: ₹ 1,521.90)

**SOBHA LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**25 REVENUE FROM OPERATIONS (REFER NOTE 35) (Cont'd)**

(c) Significant changes in contract liabilities balances during the year are as follows:

Particulars	As at 31 March 2025			As at 31 March 2024		
	Advances from customers (*)	Payable to land owner	Deferred Revenue	Advances from customers (*)	Payable to land owner	Deferred Revenue
<b>Opening balance</b>	<b>70,166.84</b>	<b>8,250.87</b>	<b>165.18</b>	<b>53,493.95</b>	<b>11,222.11</b>	<b>168.70</b>
Additions during the year (net)	39,870.88	14,396.53	213.42	36,130.39	423.87	165.18
Revenue recognised during the year	(28,808.90)	(3,769.90)	(165.18)	(19,457.50)	(3,395.11)	(168.70)
<b>Closing balance</b>	<b>81,228.82</b>	<b>18,877.50</b>	<b>213.42</b>	<b>70,166.84</b>	<b>8,250.87</b>	<b>165.18</b>

(\*) Includes mobilisation advance

(d) Significant changes in unbilled revenue balances during the year are as follows:

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Opening balance</b>	<b>1,736.87</b>	<b>1,764.53</b>
Revenue recognised during the year	4,344.66	4,828.00
Billed during the year	(4,614.35)	(4,855.66)
<b>Closing balance</b>	<b>1,467.18</b>	<b>1,736.87</b>

(e) Reconciliation of revenue recognised with contract revenue:

Particulars	As at 31 March 2025	As at 31 March 2024
Contract revenue	39,763.07	30,351.19
<b>Revenue recognised</b>	<b>39,763.07</b>	<b>30,351.19</b>

The performance obligation of the Group in case of sale of residential plots, villas, apartments, commercial space and development management of such properties is satisfied once the project is completed and control is transferred to the customers. The customer makes the payment for contract price as per installment stipulated in customer's agreement which can be cancelled by the customer for convenience.

There is no single customer contributing more than 10% of total revenues.

The transaction price of the remaining performance obligation (unsatisfied or partly satisfied) as at 31 March 2025 is ₹ 159,552.72 (31 March 2024 is ₹ 142,188.67). The same is expected to be recognised within 1 to 5 years.

**26 OTHER INCOME**

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
<b>Interest income on</b>		
- Bank deposits	633.21	253.48
- Unwinding of discount on refundable deposits	209.63	324.05

**SOBHA LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**26 OTHER INCOME (Cont'd)**

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
- Refundable deposits	48.61	9.36
- Other financial assets	44.89	109.31
Other non-operating income (net of expenses directly attributable to such income)		
- Liabilities no longer required written back	71.49	198.52
- Sub-contractor facilitation charges	141.49	245.63
- Gain on foreign exchange difference (net)	0.49	2.12
- Profit on sale of property, plant and equipment (net)	0.61	2.41
- Others	90.24	64.48
	<b>1,240.66</b>	<b>1,209.36</b>

**27 COST OF MATERIAL CONSUMED**

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Inventory at the beginning of the year	600.70	717.54
<b>Add:</b> Purchases during the year	2,976.83	2,773.65
<b>Less:</b> Inventory at the end of the year	835.54	600.70
Cost of material consumed	<b>2,741.99</b>	<b>2,890.49</b>

**28 CHANGES IN INVENTORIES OF RAW MATERIALS, LAND STOCK, WORK IN PROGRESS AND FINISHED GOODS**

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
<b>Inventories at the end of the year</b>		
Building materials	1,508.75	1,525.16
Land stock	8,550.16	5,909.67
Right of use asset - Land	2,171.19	-
Work-in-progress	91,106.47	79,642.43
Stock of units in completed real estate projects	8,207.05	5,954.67
Finished goods	143.33	131.50
	<b>111,686.95</b>	<b>93,163.43</b>
<b>Inventories at the beginning of the year</b>		
Building materials	1,525.16	1,336.47
Land stock	5,909.67	7,225.32
Work-in-progress	79,642.43	63,975.98
Stock of units in completed real estate projects	5,954.67	14,198.74
Finished goods	131.50	155.71
	<b>93,163.42</b>	<b>86,892.22</b>

**SOBHA LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**28 CHANGES IN INVENTORIES OF RAW MATERIALS, LAND STOCK, WORK IN PROGRESS AND FINISHED GOODS (Cont'd)**

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
<b>Less:</b> Land Aquisition claim receivable reclassification	(461.16)	-
<b>Add:</b> Opening inventory acquired on acquisition of subsidiary*	267.19	-
<b>Add:</b> EDC/IDC charges transferred from other financial assets	-	1,054.70
	<b>(18,717.50)</b>	<b>(5,216.51)</b>

**29 EMPLOYEE BENEFITS EXPENSE (REFER NOTE 35)**

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Salaries, wages and bonus	3,664.80	3,191.54
Contribution to provident and other funds (refer note 37)	116.12	97.48
Gratuity expenses (refer note 37)	48.07	44.67
Compensated absence	73.19	52.68
Staff welfare expenses	149.88	139.93
	<b>4,052.06</b>	<b>3,526.30</b>

**30 FINANCE COSTS (\*)**

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
<b>Interest expense</b>		
- on borrowings	1,599.99	1,922.21
- unwinding of discount on land cost payable	217.90	173.43
- on lease liabilities	25.54	25.12
- on others	25.17	133.83
<b>Other borrowing cost</b>		
- letter of credit charges	6.09	24.85
- bank guarantee charges	10.26	32.13
- bank and other charges	70.72	143.49
<b>Total</b>	<b>1,955.67</b>	<b>2,455.06</b>

(\*) Includes finance expense capitalised to inventory (The rate used to determine the amount of borrowing costs eligible for capitalisation is the effective interest rate of the underlying borrowings which is in the range of 7% to 11%) Capitalisation rate 31 March 2025 - 9% (31 March 2024 - 9%)

1,680.01

2,034.63

**SOBHA LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**31 DEPRECIATION AND AMORTIZATION EXPENSE**

<b>Particulars</b>	<b>Year ended 31 March 2025</b>	<b>Year ended 31 March 2024</b>
Depreciation of property, plant and equipment (refer note 4)	685.76	596.74
Depreciation of investment properties (refer note 5)	134.82	137.91
Depreciation of right of use assets* (refer note 38)	64.78	46.40
Amortization of intangible assets (refer note 8)	12.89	1.16
	<b>898.25</b>	<b>782.21</b>

\* Net of depreciation on 'right of use asset - land' capitalised in work in progress 31 March 2025 of ₹ 6.75 (31 March 2024: Nil)

**32 OTHER EXPENSES**

<b>Particulars</b>	<b>Year ended 31 March 2025</b>	<b>Year ended 31 March 2024</b>
License fees and plan approval charges	737.80	637.43
Power and fuel	701.42	657.33
Water charges	60.70	52.87
Freight and forwarding charges	284.83	279.16
Rent (refer note 35)	240.45	435.44
Rates and taxes	138.11	131.78
Insurance	153.64	136.30
Property maintenance expenses	238.16	211.43
Repairs and maintenance		
Plant and machinery	61.79	57.69
Others	98.29	125.30
Advertising and sales promotion	840.25	517.77
Brokerage and discounts	672.64	463.10
Corporate Social Responsibility expenditure (refer note 35)	135.14	151.55
Travelling and conveyance (refer note 35)	188.65	212.48
Printing and stationery	40.96	50.09
Software and subscription	114.64	81.12
Legal and professional fees	583.83	555.66
Allowance for credit loss on doubtful trade receivable (refer note 41B)	375.38	12.32
Provision for doubtful land advances	214.05	82.63
Other advances written off (refer note 35)	225.37	50.21
Security and housekeeping	309.61	263.83
Impairment of property, plant and equipment	4.31	29.47
Miscellaneous expenses	315.73	429.55
	<b>6,735.75</b>	<b>5,624.51</b>

**SOBHA LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**33 INCOME TAX**

The significant components of income tax expense for the years ended 31 March 2025 and 31 March 2024 are:

**A. Amounts charged to statement of profit and loss**

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
<b>Current income tax:</b>		
Current income tax charge	1,651.67	1,245.40
In respect of prior years	-	11.87
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	(1,268.52)	(1,006.13)
<b>Income tax expense reported in the statement of profit and loss</b>	<b>383.15</b>	<b>251.14</b>

**B. Income tax recognised in other comprehensive income**

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Net loss on remeasurements of defined benefit plans	7.58	4.23
<b>Income tax charge to other comprehensive income</b>	<b>7.58</b>	<b>4.23</b>

**C. Reconciliation of tax expense and the accounting profit multiplied by Group's domestic tax rate for 31 March 2025 and 31 March 2024**

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Accounting profit before income tax	1,330.01	742.27
Tax on accounting profit at statutory income tax rate applicable to the Holding Company 25.17% (31 March 2024: 25.17%)	334.76	186.83
Adjustments in respect of change in tax rate of subsidiary	16.84	6.59
Permanent adjustments	31.55	45.85
Adjustments in respect of current income tax of previous years	-	11.87
	<b>383.15</b>	<b>251.14</b>

**D. Deferred tax asset/Liability****Deferred tax assets relates to the following**

Particulars	31 March 2025		31 March 2024	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Provision for compensated absence	37.85	-	31.45	-
Provision for gratuity	96.40	-	86.50	-
Provision for exgratia	12.02	-	16.17	-
Expected credit losses	58.71	-	145.00	-
Deferred tax asset on tax losses and unabsorbed depreciation	-	-	7.11	-

**SOBHA LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**33 INCOME TAX (Cont'd)****Deferred tax assets relates to the following (Cont'd)**

Particulars	31 March 2025		31 March 2024	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Others	22.63	-	14.33	-
Property, plant and equipment and investment property	0.95	-	19.23	-
On account of difference in IndAS 115 and ICDS III	2,318.74	-	936.52	-
Deferred tax asset	2,547.30	-	1,256.31	-
<b>Deferred tax asset (Net)</b>	<b>2,547.30</b>	<b>-</b>	<b>1,256.31</b>	<b>-</b>

**Deferred tax liability relates to the following**

Particulars	31 March 2025		31 March 2024	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Expected credit losses	-	-	30.16	-
Deferred tax asset on tax losses and unabsorbed depreciation	-	-	4.16	-
Others	-	-	-	(30.30)
Property, plant and equipment and investment property	-	(290.45)	-	(287.16)
On account of difference in IndAS 115 and ICDS III	126.18	-	133.75	-
	<b>126.18</b>	<b>(290.45)</b>	<b>168.07</b>	<b>(317.46)</b>
<b>Deferred tax liability (Net)</b>	<b>-</b>	<b>(164.27)</b>	<b>-</b>	<b>(149.39)</b>

**Following summarises the movement of Deferred tax asset/(liability)**

Year ended 31 March 2025	Balance as at 01 April 2024	Movement in statement of Profit and Loss	Movement in OCI	Balance as at 31 March 2025
Provision for compensated absence	31.45	6.40	-	37.85
Provision for gratuity	86.50	2.32	7.58	96.40
Provision for exgratia	16.17	(4.15)	-	12.02
Expected credit losses	175.16	(116.45)	-	58.71
Deferred tax asset on tax losses and unabsorbed depreciation	11.27	(11.27)	-	-
Others	(15.97)	38.60	-	22.63
Property, plant and equipment and investment property	(267.93)	268.88	-	0.95
On account of difference in IndAS 115 and ICDS III	1,070.27	1,084.20	-	2,154.47
<b>Total</b>	<b>1,106.92</b>	<b>1,268.53</b>	<b>7.58</b>	<b>2,383.03</b>

**SOBHA LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**33 INCOME TAX (Cont'd)****Deferred tax assets relates to the following (Cont'd)**

<b>Year ended 31 March 2024</b>	<b>Balance as at 01 April 2023</b>	<b>Movement in statement of Profit and Loss</b>	<b>Movement in OCI</b>	<b>Balance as at 31 March 2024</b>
Provision for compensated absence	29.46	1.99	-	31.45
Provision for gratuity	79.16	3.11	4.23	86.50
Provision for exgratia	18.64	(2.47)	-	16.17
Expected credit losses	175.21	(0.05)	-	175.16
Deferred tax asset on tax losses and unabsorbed depreciation	83.52	(72.25)	-	11.27
Others	25.47	(41.44)	-	(15.97)
Property, plant and equipment and investment property	(229.22)	(38.71)	-	(267.93)
On account of difference in IndAS 115 and ICDS III	(85.68)	1,155.95	-	1,070.27
<b>Total</b>	<b>96.56</b>	<b>1,006.13</b>	<b>4.23</b>	<b>1,106.92</b>

**E.** The Group has not entered into any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

**F. Income tax assets (net)**

<b>Particulars</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
Income tax assets (net)	465.15	531.73
	<b>465.15</b>	<b>531.73</b>

**G. Current tax liabilities (net)**

<b>Particulars</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
Provision for tax (net of advance tax)	664.45	656.80
	<b>664.45</b>	<b>656.80</b>

**34 EARNINGS PER SHARE ['EPS']**

<b>Particulars</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
Net Profit after tax attributable to equity shareholders	946.86	491.13
Weighted average number of equity shares used in calculating basic and diluted EPS	102,082,342	94,845,853
Nominal value per equity share (in ₹)	10	10
<b>Earnings per share (in ₹)</b>		
Basic (in ₹)	9.28	5.18
Diluted (in ₹)	9.28	5.18

## **SOBHA LIMITED**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

#### **35 RELATED PARTY DISCLOSURES**

##### **A. Name of the related parties and the nature of its relationship with the Group as below:**

###### **Joint Venture**

Kondhwa Projects LLP

###### **Associate**

C.V.S.Tech Park Private Limited (till 14 February 2024)

###### **Key Shareholder**

Mr. P. N. C. Menon

Mrs. Sobha Menon

###### **Key Management Personnel ('KMP')**

Mr. Ravi PNC Menon - Chairman

Mr. Jagadish Nangineni - Managing Director

Mr.Nisanth M N - Deputy Managing Director (with effect from 01 January 2025)

###### **Additional related parties ('KMP's) as per Companies Act, 2013 with whom transactions have taken place**

Mr. Yogesh Bansal - Chief Financial Officer

Mr. Bijan Kumar Dash - Company Secretary (with effect from 01 December 2023)

###### **Other Directors**

Mr. Anup Shah (till 08 August 2024)

Mr. R V S Rao (till 08 August 2024)

Mrs. Srivathsala KN

Mr. Raman Mangalorkar

Mr. Gopal B Hosur (with effect from 08 August 2024)

Mr. Subba Rao Amarthaluru (with effect from 08 August 2024)

###### **Relatives of key management personnel**

Mrs. Sudha Menon

Mr. P N Haridas

###### **Post employment-benefit plan entity**

Sobha Developers Employees Gratuity Trust

###### **Other related parties with whom transactions have taken place**

Sobha Glazing & Metal Works Private Limited

Sobha Inncity Technoplis Private Limited

Sobha Projects & Trade Private Limited

Sobha Puravankara Aviation Private Limited

Sobha Technocity Private Limited

Sri Kurumba Educational and Charitable Trust

Technobuild Developers Private Limited

Sri Durga Devi Property Management Private Limited

Sri Parvathy Land Developers Private Limited

Puzhakkal Developers Private Limited

Mapedu Realtors Private Limited

Mapedu Builders Private Limited

Chikmangaloor Properties Private Limited

Chikmangaloor Developers Private Limited

Chikmangaloor Realtors Private Limited

**SOBHA LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**35 RELATED PARTY DISCLOSURES (Cont'd)****A. Name of the related parties and the nature of its relationship with the Group as below:  
(Cont'd)**

Rusoh Marina Properties Private Limited  
Rusoh Modern Builders Private Limited  
Rusoh Modern Properties Private Limited  
Rusoh Home Developers Private Limited  
Thakazhi Developers Private Limited  
Thakazhi Realtors Private Limited  
Tirur Cyber Real Estates Private Limited  
Kilai Super Developers Private Limited  
Chennai Supercity Developers Pvt Ltd  
Mannur Properties Private Limited  
Mannur Builders Private Limited  
Mannur Real Estate Private Limited  
Navabhusan Properties and Developers Private Limited  
Cochin Cyber Estate Pvt Ltd  
Ilupur Builders Pvt Ltd  
Ilupur Developers Pvt Ltd  
Ilupur Real Estate Pvt Ltd  
Ilupur Realtors Pvt Ltd  
Kottaiyur Realtors Pvt Ltd

**B. Details of the transactions with the related parties:**

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
<b>I. Transaction with other related parties/KMP</b>		
<b>Income from of constructed properties, plots and other development activities</b>		
Mr. Jagadish Nangineni	0.02	5.02
<b>Other income</b>		
Mr. Jagadish Nangineni *	0.00	0.16
<b>Income/(loss) from sale of land and development rights</b>		
Chikmangaloor Properties Private Limited	3.87	0.14
Chikmangaloor Developers Private Limited	0.63	(0.01)
Chikmangaloor Realtors Private Limited	0.10	0.06
Thakazhi Developers Private Limited	-	22.27
Thakazhi Realtors Private Limited	-	15.68
Rusoh Marina Properties Private Limited	0.26	(0.10)
Rusoh Modern Builders Private Limited	-	(1.39)
Rusoh Modern Properties Private Limited	-	0.23
Rusoh Home Developers Private Limited	0.76	-
Mapedu Realtors Private Limited	5.99	-

**SOBHA LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**35 RELATED PARTY DISCLOSURES (Cont'd)****A. Name of the related parties and the nature of its relationship with the Group as below:****(Cont'd)**

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Mapedu Builders Private Limited	4.56	-
Kilai Super Developers Private Limited	-	(0.79)
Tirur Cyber Real Estates Private Limited	-	8.81
Chennai Supercity Developers Pvt Ltd	4.32	-
Mannur Properties Private Limited	1.35	-
Mannur Builders Private Limited	0.86	-
Mannur Real Estate Private Limited	7.86	-
Navabhusan Properties and Developers Private Limited	13.52	-
Cochin Cyber Estate Pvt Ltd	14.46	-
Ilupur Builders Pvt Ltd	3.93	-
Ilupur Developers Pvt Ltd	18.92	-
Ilupur Real Estate Pvt Ltd	5.08	-
Ilupur Realtors Pvt Ltd	6.71	-
Kottaiyur Realtors Pvt Ltd	3.50	-
Sri Kurumba Educational and Charitable Trust	0.01	0.49
Mr. R V S Rao	-	0.10
<b>Income from interior works</b>		
Sri Kurumba Educational and Charitable Trust	1.06	1.00
Mr. Jagadish Nangineni	-	0.18
(*) Certain amounts that are required to be presented and do not appear due to rounding off are expressed as "0.00".		
<b>Income from concrete blocks</b>		
Sobha Projects & Trade Private Limited	1.20	5.96
<b>Sub-contractor cost</b>		
Sobha Projects & Trade Private Limited	431.79	318.34
<b>Rent</b>		
Sri Kurumba Educational and Charitable Trust	0.12	0.12
Mr. Ravi PNC Menon	12.45	9.00
<b>Other advances written off</b>		
Sobha Puravankara Aviation Private Limited	111.52	-
<b>Amount received during the year</b>		
Sobha Puravankara Aviation Private Limited	65.72	-
<b>Travelling and conveyance - Aircraft hire charges</b>		
Sobha Puravankara Aviation Private Limited	-	49.65
<b>Corporate Social Responsibility expenditure</b>		
Sri Kurumba Educational and Charitable Trust	141.41	151.55
<b>Land advance refunded</b>		
Technobuild Developers Private Limited	179.72	196.78

**SOBHA LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**35 RELATED PARTY DISCLOSURES (Cont'd)****B. Details of the transactions with the related parties: (Cont'd)**

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
<b>Reimbursement of expenses</b>		
Technobuild Developers Private Limited	-	12.27
<b>Interest others</b>		
Technobuild Developers Private Limited	-	0.09
<b>Advances received from the related party</b>		
Technobuild Developers Private Limited	-	1.92
<b>Security deposit adjusted towards rent</b>		
Sobha Glazing & Metal Works Private Limited	5.50	5.50
<b>Advance Paid</b>		
Sobha Glazing & Metal Works Private Limited	2.67	-
<b>Contribution to plan assets</b>		
Sobha Developers Employees Gratuity Trust	38.70	32.30
<b>Guarantee or security received</b>		
Sri Durga Devi Property Management Private Limited	-	900.00
Sri Parvathy Land Developers Private Limited	-	900.00
<b>Guarantees extinguished</b>		
Sri Durga Devi Property Management Private Limited	2,000.00	-
Sri Parvathy Land Developers Private Limited	2,000.00	-
<b>Directors' remuneration</b>		
Mr. Jagadish Nangineni	33.89	22.88
Mr.Nisanth M N	2.59	-
<b>Dividend paid (payment basis)</b>		
Mr. Ravi PNC Menon	10.17	9.56
Mr. Jagadish Nangineni	0.01	0.01
Mr. Anup Shah	0.01	0.01
Mrs. Sudha Menon	0.00	0.00
Mr. P N Haridas	0.14	0.14
<b>Salary (including perquisites)</b>		
Mr. Yogesh Bansal	11.82	8.87
Mr. Bijan Kumar Dash	5.73	1.94
Mr. Vighneshwar G Bhat	-	4.50
<b>Directors' sitting fees and commission</b>		
Mr. Anup Shah	0.84	2.19
Mr. R V S Rao	0.81	2.18
Mrs. Srivathsala KN	2.23	2.25
Mr. Raman Mangalorkar	2.25	2.22
Mr.Gopal B Hosur	1.35	-
Mr.Subba Rao Amarthaluru	1.38	-

**SOBHA LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**35 RELATED PARTY DISCLOSURES (Cont'd)****B. Details of the transactions with the related parties: (Cont'd)****III. Transaction with key shareholders**

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
<b>Dividend paid (payment basis)</b>		
Mr. P. N. C. Menon	39.62	37.02
Mrs. Sobha Menon	92.23	86.18
Mr. P. N. C. Menon and Mrs. Sobha Menon (jointly held shares)	16.88	15.87

The Group and the Holding Company's related party transactions during the year ended 31 March 2025 and 31 March 2024 and outstanding balances as at 31 March 2025 and 31 March 2024 are with its subsidiaries with whom the Company generally enters into transactions which are at arms length and in the ordinary course of business.

**C. Details of balances receivable from and payable to related parties are as follows:**

Particulars	As at 31 March 2025	As at 31 March 2024
<b>I. Balances receivable from and payable to joint venture</b>		
<b>In partners current account</b>		
Kondhwa Projects LLP	1,146.20	1,149.33

Particulars	As at 31 March 2025	As at 31 March 2024
<b>II. Balances receivable from and payable to other related parties</b>		
<b>Land advance</b>		
Technobuild Developers Private Limited	7,629.77	7,962.80
<b>Right of use assets</b>		
Sobha Glazing & Metal Works Private Limited	22.00	27.52
<b>Advances recoverable in cash or in kind</b>		
Sobha Puravankara Aviation Private Limited	-	177.24
Sobha Glazing & Metal Works Private Limited	12.74	11.06
<b>Trade receivables</b>		
Sri Kurumba Educational and Charitable Trust	0.49	7.00
Sobha Projects & Trade Private Limited	191.39	192.17
Thakazhi Realtors Private Limited	-	8.05
Chennai Supercity Developers Pvt Ltd	1.64	-
Mapedu Realtors Private Limited	1.70	-
Mapedu Builders Private Limited	1.69	-
Chikmangaloor Realtors Private Limited	0.11	-
Chikmangaloor Properties Private Limited	4.06	-
Chikmangaloor Developers Private Limited	0.73	-
Mannur Builders Private Limited	1.01	-
Mannur Real Estate Private Limited	8.48	-
Navabhusan Properties and Developers Private Limited	14.67	-

**SOBHA LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**35 RELATED PARTY DISCLOSURES (Cont'd)**

<b>Particulars</b>	<b>As at 31 March 2025</b>	<b>As at 31 March 2024</b>
Cochin Cyber Estate Pvt Ltd	16.92	-
Ilupur Builders Pvt Ltd	3.14	-
Ilupur Developers Pvt Ltd	20.90	-
Ilupur Real Estate Pvt Ltd	3.34	-
Ilupur Realtors Pvt Ltd	7.85	-
Kottaiyur Realtors Pvt Ltd	4.09	-
Mr. Anup Shah	0.23	0.23
<b>Advance from customers</b>		
Mr. Jagadish Nangineni	6.53	1.51
<b>Other current financial liabilities</b>		
Technobuild Developers Private Limited	-	169.65
Sobha Space Private Limited	14.05	14.05
Sobha Projects & Trade Private Limited	7.01	7.01
Sobha Glazing & Metal Works Private Limited (#)	-	0.00
<b>Trade payables</b>		
Sobha Projects & Trade Private Limited	35.34	86.75
Mr. Ravi PNC Menon	0.95	1.07
Sri Durga Devi Property Management Private Limited (#)	-	0.00
<b>Guarantee or security received</b>		
Sri Durga Devi Property Management Private Limited	-	2,000.00
Sri Parvathy Land Developers Private Limited	-	2,000.00

**D. Payable to key management personnel/director of the Group**

<b>Particulars</b>	<b>As at 31 March 2025</b>	<b>As at 31 March 2024</b>
Commission to independent directors	8.01	8.00
Commission to Chairman and Managing Director	18.62	9.40
	<b>26.63</b>	<b>17.40</b>

**E. Compensation of key management personnel of the Group**

<b>Particulars</b>	<b>As at 31 March 2025</b>	<b>As at 31 March 2024</b>
Short-term employee benefits	54.03	38.19
Other benefits (*)	18.62	9.40
	<b>72.65</b>	<b>47.59</b>

(#) Certain amounts that are required to be presented and do not appear due to rounding off are expressed as "0.00".

(\*) As the liability for gratuity and leave encashment is provided on actuarial basis for the Group as whole, the amount pertaining to the directors are not included above.

**Note:** The director of the Group has given fund shortfall undertaking for certain borrowings towards funding of the respective underlying projects. Refer note 20.

## SOBHA LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

(All amounts in ₹ millions, unless otherwise stated)

#### 36 SEGMENT INFORMATION

##### Basis of segmentation

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Group's Managing Director (MD) to make decisions about resources to be allocated to the segments and assess their performance.

The Group has two reportable segments, as described below, which are the Group's strategic business units. These business units offer different products and services, and are managed separately because they require different marketing strategies. For each of the business units, the Group's MD reviews internal management reports on at least a quarterly basis."

The MD monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Accordingly, the Group has identified following as its reportable segment for the purpose of Ind AS 108:

- a) Real estate segment;
- b) Contractual and manufacturing segment.

Real Estate segment (RE) comprises development, sale, management and operation of all or any part of townships, housing projects, also includes leasing of self owned commercial premises.

The operation of the Contractual and Manufacturing segment (CM) comprises development of commercial premises and other related activities, also includes manufacturing activities related to interiors, glazing and metal works and concrete products.

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Also, the Group's financing (including finance costs and finance income) and income taxes are managed on a overall basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

The following tables present revenue and profit information for the Group's operating segments for the year ended 31 March 2025 and 31 March 2024 respectively:

##### Business segments

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
<b>Segment revenue</b>		
Real estate	33,782.43	24,138.33
Contractual and manufacturing	8,301.68	8,216.84
<b>Total segment revenue</b>	<b>42,084.11</b>	<b>32,355.17</b>
Inter segment revenues	(1,697.18)	(1,385.71)
<b>Net revenue from operations</b>	<b>40,386.93</b>	<b>30,969.46</b>

**SOBHA LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**36 SEGMENT INFORMATION (Cont'd)****Business segments (Cont'd)**

<b>Particulars</b>	<b>For the year ended 31 March 2025</b>	<b>For the year ended 31 March 2024</b>
<b>Segment result</b>		
Real estate	3,490.80	4,257.43
Contractual and manufacturing	402.32	712.65
<b>Total segment results</b>	<b>3,893.12</b>	<b>4,970.08</b>
Finance costs	(1,955.67)	(2,455.06)
Other unallocable expenditure	(1,589.86)	(2,648.65)
Other income (including finance income)	982.42	875.95
<b>Less: Share of loss in equity accounted investees (net)</b>	<b>(0.00)</b>	<b>(0.05)</b>
<b>Profit before taxation</b>	<b>1,330.01</b>	<b>742.27</b>
Income taxes	(383.15)	(251.14)
<b>Profit after taxation</b>	<b>946.86</b>	<b>491.13</b>

The following table presents assets and liabilities information for the Group's operating segments as at 31 March 2025 and 31 March 2024 respectively:

<b>Particulars</b>	<b>As at 31 March 2025</b>	<b>As at 31 March 2024</b>
<b>Segment assets</b>		
Real estate	133,283.50	112,986.25
Contractual and manufacturing	8,498.47	8,036.50
<b>Total segment assets</b>	<b>141,781.97</b>	<b>121,022.75</b>
Unallocated assets	30,428.35	15,942.16
<b>Total assets</b>	<b>172,210.32</b>	<b>136,964.91</b>
<b>Segment liabilities</b>		
Real estate	110,515.33	85,792.81
Contractual and manufacturing	2,177.04	5,942.12
<b>Total segment liabilities</b>	<b>112,692.37</b>	<b>91,734.93</b>
Unallocated liabilities	13,912.89	20,089.24
<b>Total liabilities</b>	<b>126,605.26</b>	<b>111,824.17</b>
<b>Capital employed</b>		
Real estate	22,768.17	27,193.44
Contractual and manufacturing	6,321.43	2,094.38
Unallocated capital employed	16,515.46	(4,147.08)
<b>Total capital employed</b>	<b>45,605.06</b>	<b>25,140.74</b>

**SOBHA LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**36 SEGMENT INFORMATION (Cont'd)**

Current taxes, deferred taxes and certain financial assets and liabilities are considered as unallocated as they are also managed on a Group basis:

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
<b>Capital expenditure</b>		
Real estate	1,078.23	1,034.77
Contractual and manufacturing	189.04	71.14
Unallocated capital expenditure	112.66	141.12
<b>Total capital expenditure</b>	<b>1,379.93</b>	<b>1,247.03</b>

Capital expenditure consists of additions of property, plant and equipment, intangible assets and investment property under development.

Information of revenue and non-current operating assets based on location has not been furnished since there are no revenue generated from business activities outside India and there are no non-current operating assets held by the Group outside India.

**Reconciliations to amounts reflected in the financial statements****(i) Reconciliation of assets**

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Segment assets</b>	<b>141,781.97</b>	<b>121,022.75</b>
Investment (refer note 9)	1,146.20	1,149.33
Prepaid expenses (refer note 13)	1,894.96	1,625.57
Balances with statutory/ government authorities (refer note 13)	1,328.34	878.46
Income tax assets (net) (refer note 32)	465.15	531.73
Deferred tax assets (net) (refer note 32)	2,547.30	1,256.31
Cash and bank balances (refer note 14 and 15)	18,088.67	6,732.95
Other unallocable assets	4,957.73	3,767.81
<b>Total assets</b>	<b>172,210.32</b>	<b>136,964.91</b>

**(ii) Reconciliation of liabilities**

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Segment liabilities</b>	<b>112,692.37</b>	<b>91,734.93</b>
Borrowings (refer note 19)	11,308.76	19,135.09
Provisions (refer note 21)	533.59	468.66
Other financial liabilities (refer note 22)	1,020.06	-
Deferred tax liabilities (refer note 32)	164.27	149.39
Current tax liabilities (net) (refer note 32)	199.30	125.07
Withholding taxes payable (refer note 23)	83.20	107.43
Other unallocable liabilities	603.71	103.60
<b>Total liabilities</b>	<b>126,605.26</b>	<b>111,824.17</b>

## SOBHA LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

(All amounts in ₹ millions, unless otherwise stated)

#### 37 EMPLOYMENT BENEFIT PLANS

##### A. Defined benefit plan

The Group has gratuity as defined benefit retirement plans for its employees. The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity at the rate of 15 days basic salary for each year of service until the retirement age. As at 31 March 2025 and 31 March 2024 the plan assets were invested in insurer managed funds.

##### It is exposed to the following types of risks:

**Interest rate risk:** A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

**Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

**Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

**Asset Liability Matching Risk:** The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

**Mortality risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

**Concentration Risk:** Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very low as insurance companies have to follow stringent regulatory guidelines which mitigate risk.

The following tables set out the the funded status of gratuity plans and amount recognised in the balance sheet for the respective plans:

##### 1. The amounts recognized in the Balance Sheet are as follows:

Particulars	31 March 2025	31 March 2024
Present value of defined benefit obligation at the end of the year	388.59	348.03
<b>Less:</b> Fair value of plan assets as at the end of the year	(5.40)	(4.34)
<b>Net liability recognised in the balance sheet</b>	<b>383.19</b>	<b>343.69</b>

##### 2. Changes in the present value of defined benefit obligation

Particulars	31 March 2025	31 March 2024
Defined benefit obligation as at beginning of the year	348.03	318.73
Current service cost	23.53	22.03
Interest cost	24.85	22.95
Benefits paid	(38.11)	(32.71)
Actuarial loss/(gain) due to financial assumption changes	4.11	(10.07)
Actuarial loss due to experience adjustments	26.18	27.10
<b>Defined benefit obligation as at the end of the year</b>	<b>388.59</b>	<b>348.03</b>

**SOBHA LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**37 EMPLOYMENT BENEFIT PLANS (Cont'd)****3. Changes in the fair value of plan assets**

<b>Particulars</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
Fair value as at the beginning of the year	4.34	4.21
Interest on plan assets	0.31	0.30
Actuarial gain/(loss)	0.16	0.24
Contributions	38.70	32.30
Benefits paid	(38.11)	(32.71)
<b>Fair value as at the end of the year</b>	<b>5.40</b>	<b>4.34</b>

**4. Net gratuity cost for the reporting years comprises of following components**

<b>Particulars</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
Current service cost	23.53	22.02
Interest cost	24.85	22.95
Interest income	(0.31)	(0.30)
<b>Net Gratuity cost</b>	<b>48.07</b>	<b>44.67</b>

**5. Other comprehensive income**

<b>Particulars</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
Actuarial loss on defined benefit obligation	(30.29)	(17.03)
Return on plan assets excluding interest income	0.16	0.24
<b>Loss recognised in other comprehensive income</b>	<b>(30.13)</b>	<b>(16.79)</b>

**6. Experience adjustment:**

<b>Particulars</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
On plan defined benefit obligation loss	26.18	27.10
On plan assets gain	0.16	0.24

**7. Investment Details**

The major categories of plan assets as a percentage of the fair value of the total plan assets are as follows:

<b>Particulars</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
Investment in insurance fund	100%	100%

**8. Actuarial assumptions**

<b>Particulars</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
Discount rate (p.a)	6.54%	7.14%
Future salary growth (p.a)	10.00%	10.00%
Weighted Average Duration of the Defined Benefit Obligation (years)	3	3
Attrition rate (p.a)	35.00%	35.00%

**SOBHA LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**37 EMPLOYMENT BENEFIT PLANS (Cont'd)****9. Sensitivity Analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	31 March 2025		31 March 2024	
	Decrease	Increase	Decrease	Increase
Discount rate (+/-1%)	6.78	7.15	6.01	6.33
Salary growth rate (-/+ 1%)	5.68	5.79	5.07	5.18
Attrition rate (+/-1%)	1.23	1.28	0.83	0.86

The sensitivity analyses above have been determined based on a method that extrapolates the impact on projected benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

**10. Maturity profile of defined benefit obligation**

Particulars	31 March 2025	31 March 2024
Within the next 12 months	132.32	116.70
Between 2 and 5 years	239.21	219.88
Between 6 and 10 years	61.54	56.02
Beyond 10 years	10.51	9.50
<b>Total expected payments</b>	<b>443.58</b>	<b>402.10</b>

Expected contribution in the next year ₹ 124.79.

**B. Defined contribution plan**

The Group makes contribution of statutory provident fund as per Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and Employees State Insurance Scheme as per the Employees' State Insurance Act, 1948. The Group has recognized the following amounts in the Statement of Profit and Loss under defined contribution plan whereby the Group is required to contribute a specified percentage of the payroll costs to fund the benefits:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Employer's contribution to provident fund	114.70	96.27
Employer's contribution to Employees' state insurance scheme	1.22	1.01
Contribution to Superannuation Fund	0.20	0.20
<b>Total</b>	<b>116.12</b>	<b>97.48</b>

## SOBHA LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

(All amounts in ₹ millions, unless otherwise stated)

#### 38 LEASES

##### A. The Group as a lessor

###### Assets given on operating lease:

The Group has entered into operating lease agreements with its lessees. Total lease rental income recognized in the statement of profit and loss for the year is ₹ 623.86 (31 March 2024: ₹ 618.27)

The future minimum lease receivables under operating leases in aggregate are as follows:

Year	As at 31 March 2025	As at 31 March 2024
FY 2024-25	600.77	471.41
FY 2025-26	549.28	326.22
FY 2026-27	487.84	279.48
FY 2027-28	482.86	256.22
FY 2028-29	400.87	162.83
FY 2029-30	180.74	-
More than 5 years	669.13	569.55
<b>Total</b>	<b>3,371.49</b>	<b>2,065.71</b>

##### B. The Group as a lessee

The Group has leases for building, vehicles and plant and machinery. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability except for lease on buildings for which it was agreed that the Group shall pay a security deposit which shall be adjusted to the minimum lease payments and due to which no lease liability in the same was created and the amount given as security deposit is treated as Right of use asset depreciated on a straight line basis over the lease period. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Group has presented its right-of-use assets in the balance sheet separately from other assets.

Lease arrangements for vehicles contain an option to extend the lease for a further term till the vehicle is handed over to the lessor after the end of lease term as per agreement or for a fixed tenure of 3 to 9 months as the case may be as per the requirement of Lessee. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over Factory buildings, the Group must repair and maintain those properties in a good state and return the properties with all connections, sanitary, water and drainage fittings and fixtures as it may exist on the relevant date.

###### a. Right of use assets

Particulars	Other buildings	Vehicles	Plant and machinery	Total
<b>Cost</b>				
<b>As at 1 April 2023</b>	<b>49.50</b>	<b>163.82</b>	<b>90.33</b>	<b>303.65</b>
Additions during the year	-	17.36	60.96	78.32
Disposal during the year	-	(12.01)	(90.33)	(102.34)
<b>As at 31 March 2024</b>	<b>49.50</b>	<b>169.17</b>	<b>60.96</b>	<b>279.63</b>
Additions during the year	-	69.73	0.00	69.73
Disposal during the year	-	(16.70)	-	(16.70)
<b>As at 31 March 2025</b>	<b>49.50</b>	<b>222.20</b>	<b>60.96</b>	<b>332.66</b>

**SOBHA LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**38 LEASES (Cont'd)****a. Right of use assets (Cont'd)**

Particulars	Other buildings	Vehicles	Plant and machinery	Total
<b>Accumulated amortisation</b>				
<b>As at 1 April 2023</b>	<b>16.50</b>	<b>96.00</b>	<b>87.78</b>	<b>200.28</b>
Charge for the year	5.50	26.78	14.12	46.40
Disposal during the year	-	(12.01)	(90.33)	(102.34)
<b>As at 31 March 2024</b>	<b>22.00</b>	<b>110.77</b>	<b>11.57</b>	<b>144.34</b>
Charge for the year	5.51	30.15	29.10	64.76
Disposal during the year	-	(16.70)	-	(16.70)
<b>As at 31 March 2025</b>	<b>27.51</b>	<b>124.22</b>	<b>40.67</b>	<b>192.40</b>
<b>Carrying amount</b>				
<b>As at 31 March 2025</b>	<b>21.99</b>	<b>97.98</b>	<b>20.29</b>	<b>140.26</b>
<b>As at 31 March 2024</b>	<b>27.50</b>	<b>58.40</b>	<b>49.39</b>	<b>135.29</b>

**b. Set out below are the carrying amounts of lease liabilities and the movements during the year**

Particulars	Amount
<b>As on 1 April 2023</b>	<b>232.81</b>
Additions during the year	78.32
Interest expense for the year	25.12
Payment of lease liabilities	(74.01)
<b>As on 31 March 2024</b>	<b>262.24</b>
<b>Additions during the year</b>	
- Under inventory	250.85
- Under ROU	69.73
Interest expense for the year	25.54
Payment of lease liabilities	(82.50)
<b>As on 31 March 2025</b>	<b>525.86</b>

Particulars	As at 31 March 2025	As at 31 March 2024
Current	116.24	48.80
Non Current	409.62	213.44

Discounting rate applied to lease liabilities is the incremental borrowing rate applicable to the Group - 10%.

**SOBHA LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**38 LEASES (Cont'd)****c. The following are the amounts recognised in the profit & loss**

<b>Particulars</b>	<b>Year ended 31 March 2025</b>	<b>Year ended 31 March 2024</b>
Depreciation expenses of right-of-use assets	64.78	46.40
Interest expenses on lease liabilities	25.54	25.12
Expenses relating to short-term leases	191.26	354.83
Expenses relating to lease of low-value assets	49.19	80.26
<b>Total amount recognised in the profit &amp; loss</b>	<b>330.77</b>	<b>506.61</b>
<b>Total cash out flows towards leases</b>	<b>322.95</b>	<b>509.20</b>

Lease term of the above referred leases range from 11 months to 63 years.

**d. Information about extension and termination options**

<b>Right of use assets</b>	<b>Number of leases</b>	<b>Range of remaining term (in years)</b>	<b>Average remaining lease term (in years)</b>	<b>Number of leases with extension options</b>	<b>Number of leases with purchase option</b>	<b>Number of leases with termination option</b>
Other buildings	1	4.00	4.00	1.00	-	-
Plant and Machinery	12	0.96 to 0.94	1.70	-	11	-
Land	2	90.00	90.00	-	-	-
Vehicles	62	0.18 to 4.74	4.93	62.00	62	62

**e. The maturity profile for lease liabilities**

<b>Particulars</b>	<b>As at 31 March 2025</b>	<b>As at 31 March 2024</b>
Current	116.24	48.80
Non Current	409.62	213.44
Discounting rate applied to lease liabilities is the incremental borrowing rate applicable to the Group - 10%		
<b>Lease Liabilities:</b>		
The maturity analysis of lease liabilities are closed below:		
Not Later than one year	141.67	72.80
Later than one year and not later than five year	154.37	136.41
Later than five year	628.1	704.29
<b>Less: future finance expenses</b>	<b>(398.28)</b>	<b>(651.26)</b>
<b>Total</b>	<b>525.86</b>	<b>262.24</b>

## **SOBHA LIMITED**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

#### **39 CONTINGENT LIABILITIES AND COMMITMENTS**

##### **A. Contingent liabilities (to the extent not provided for)**

<b>Particulars</b>	<b>As at 31 March 2025</b>	<b>As at 31 March 2024</b>
i Income tax matters in dispute (Refer note 1 & 5)	847.91	432.38
ii Value added tax, Service tax, Goods and Service Tax and customs matters in dispute (Refer note 2)	1,785.23	1,647.99
iii Customer related cases and complaints (Refer note 3)	2.00	2.00
iv Matters before prevention of money laundering adjudicating authority (Refer note 4)	2,016.05	2,016.05
v Other litigation (Refer note 8 & 10)	5.69	15.50
	<b>4,656.88</b>	<b>4,113.92</b>

**Note:** Pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

The Group does not expect the outcome of these proceeding to have a material adverse effect on its financial position. The Group does not expect any reimbursement in respect of above contingent liability.

- 1) The Income Tax Authorities have disputed the tax computation for certain years, which are pending before various forums. Based on the grounds of the appeals, the management believes that there is a reasonably strong likelihood of obtaining a favourable order. Any income, which may arise out of such litigations will be recognised only on the receipt basis/or where right to receive such income is clearly established. Pending the final decisions on the above matter, no adjustment has been made in these consolidated financial statements.

During the current year, Kilai Builders Private Limited (one of the subsidiaries of the Holding Company) has received an Income Tax demand of ₹ 20.15 for the FY 2017-18, which was subsequently deleted in the reassessment proceedings. However, a show cause notice was issued for charging penalty under section 271D of the Income tax Act, 1961 for the said year. A suitable reply has been given and decision is pending. The Group is confident that there will be no liability on this account.

- 2) There are various disputes pending with the authorities of customs, service tax and value added tax. The Group is contesting these demands raised by authorities and are pending at various appellate authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its consolidated financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.
- 3) There are various litigations going on/complaints filed against the Group primarily in Consumer Redressal Forum and under the Real Estate Regulation Act 2016. The Group is contesting such litigations with the respective appellate authorities. The management has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required in its consolidated financial statements. For most number of litigations/complaints, based on the grounds of the appeals, the management believes that there is a reasonably strong likelihood of succeeding before these authorities and hence, pending the final decisions on the above matters, no adjustment has been made in these consolidated financial statements.

## **SOBHA LIMITED**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

#### **39 CONTINGENT LIABILITIES AND COMMITMENTS (Cont'd)**

- 4) The Holding Company had entered into a Joint Development Arrangement with certain land owners in Gurugram, Haryana, in earlier years. In respect of this transaction, the Enforcement Directorate ('ED') after due investigation has filed a complaint with Adjudicating Authority, Prevention of Money Laundering ('AA-PML'), alleging certain irregularities in respect of the manner of allotment and pricing of certain plots under this project or payment of applicable fees and charges by the Holding Company or the landowners, with respect to the terms and conditions mentioned in the development policy of Haryana Development and Regulation of Urban Areas Act (HDRUAA), 1975 and the bilateral agreement between the land owners and Directorate of Town and Country Planning, Haryana (DTCP) resulting in provisional attachment under the Prevention of Money Laundering Act, 2002 ('PMLA') of land parcels with value of ₹ 2,016.05, held by Technobuild Developers Private Limited ('TDPL'). The Holding Company has entered into a Memorandum of Understanding ('MoU') with TDPL for acquiring land parcels using advances extended by the Holding Company. As per the MoU, TDPL and its affiliates cannot transfer land parcels without prior approval of the Holding Company and the Holding Company has absolute rights over land parcels acquired by TDPL and its affiliates acquired from such advance given by the Holding Company.

During the previous years, the Holding Company was in receipt of Show Cause Notice (SCN) under the PMLA from AA-PML and the Holding Company had duly filed detailed responses to allegations made in SCN. However, AA-PMLA has passed an order confirming the provisional attachment of the aforesaid land parcels and the Holding Company has duly filed an appeal before The Appellate Tribunal against the AA-PML order under Section 26 of the PMLA.

The Management, based on its overall assessment and independent legal opinion obtained, believes that these transactions have been carried out in accordance with all the applicable laws and regulations and the said bilateral agreement and has not identified any adverse material impact to the consolidated audited financial statements as at 31 March 2025 or for earlier periods including the recoverability of land advance given against such provisionally attached ₹ 2,016.05 land parcels held by TDPL.

- 5) The Income Tax Department ("the Department") conducted a Search under Section 132 of the Income Tax Act ('IT Act') ("the Search") on the Holding Company and certain group companies during March 2023. The Holding Company and certain group companies at the time of search and subsequently have co-operated with the department and responded to the necessary clarifications, data and details as sought by the Department. The Holding Company has received demand orders under the IT Act for the Assessment Years (AY) 2015-16, AY 2016-17, AY 2017-18, AY 2018-19, AY 2019-20, AY 2020-21, AY 2021-22, AY 2022-23 and AY 2023-24 raising a total demand of ₹ 672 (reduced vide rectification order under Section 154 of the IT Act, mainly on account of adjustment of credit under Section 115JAA of the IT Act of tax paid in earlier years), by disallowing certain expenses and adding certain incomes during such periods, against which the Holding Company has filed appeals before the Hon'ble Commissioner of Income Tax (Appeals), Bengaluru ('CIT appeals').

While the uncertainty exists regarding the outcomes of the legal proceedings, the management of the Holding Company has evaluated the demand orders after considering all available records and facts known to it and based on an independent legal review and opinion from external legal counsels and believes that the Holding Company can succeed in the appeals filed against the aforesaid demand orders and accordingly has not identified any adjustments to the current or prior period consolidated financial statements."

- 6) In earlier years, one of the customers of Sobha Assets Private Limited (SAPL), a wholly owned subsidiary of the Holding Company has terminated a project development contract entered by it and demanded compensation of ₹ 2,956.13 in addition to forfeiture of ₹ 227.32 performance guarantee and ₹ 26.00 of deposits alleging that SAPL has not commenced the contract work. The carrying value of aforesaid project related assets/receivables as at 31 March 2025 is ₹ 354.10. SAPL has filed arbitration petition before the arbitrator challenging the termination and its grounds, against the customer towards business loss and other receivables. The Group based on its overall assessment and independent legal opinion, believes that the aforesaid termination is illegal and will not have any adverse impact to the consolidated audited financial results and accordingly no provision has been made.

## **SOBHA LIMITED**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

#### **39 CONTINGENT LIABILITIES AND COMMITMENTS (Cont'd)**

- 7) In earlier years, the Holding Company, during the process of renewal of fire clearances for one of the project, procured by an entrusted person, found the fire NOC and fire clearances submitted to local municipal body to be defective. On becoming aware of this fact, the Holding Company had immediately taken remedial steps and obtained renewed fire NOC and fire clearances, which were then resubmitted with the local municipal body for regularization. However, the local municipal body had passed an order dated 21 January 2023 revoking/cancelling the modified sanction plan ('Plan') and occupancy certificate ('OC') for the project, based on a complaint being filed upon by one of the unit holders of such project. The Holding Company had immediately filed an appeal with Karnataka Appellate Tribunal ('KAT') challenging the above order, and KAT had passed an interim order dated 1 February 2023 granting stay on cancellation of Plan and OC.

During the previous year, the Chief Metropolitan Magistrate ('CMM'), Bengaluru, has passed an order dated 19 September 2023 ('impugned order') to register a calendar case for the offences punishable under Indian Penal Code ('IPC') against the Holding Company and few employees of the Holding Company, based on a separate complaint filed with the CMM by the aforementioned unit holder. The Holding Company has filed a petition before Hon'ble High court of Karnataka praying for quashing of the complaint, the impugned order and the calendar case, wherein, the High court of Karnataka has passed an interim order dated 11 October 2023 staying the impugned order and the calendar case. The Management, based on its overall assessment and independent legal opinion obtained, believes that allegations made by the unit holder are baseless, false and not sustainable and the impugned order suffers from arbitrariness and liable to be quashed under section 482 of the code of criminal procedure, 1973. Accordingly, the Group believes that outcome of the above proceedings will not result in any adverse impact on the consolidated audited financial statements.

- 8) The Group is involved in certain litigations for lands being developed/acquired by it for construction purposes, either through a Joint Development Agreement or through outright purchases. These cases are pending with the Civil Courts and scheduled for hearings. After considering the facts and circumstances of each case in detail, and post consideration of the opinions of the in-house legal council, management believes that these litigations will not have a material effect on the consolidated financial statements.
- 9) The Group has certain litigations pending at various forums/courts against various authorities including Forest department, Karnataka State Pollution Control Board (PCB), local municipal departments on certain real estate projects undertaken by it. Also, certain claims have been laid upon the Group under the Land acquisition act, against which the Group has filed writ petitions and obtained stay orders from the Honourable High Courts. The impact of all such litigations and claims is not quantifiable. These litigation/claims are pending with various courts and are scheduled for hearings. Based on internal assessment, and post consideration of the opinion of its in-house legal counsel, the management is confident that the matter would be decided in its favour, accordingly no adjustment has been made in these consolidated financial statements.
- 10) In one of the subsidiaries, certain charges have been levied by the respective municipal authorities. The Group has contested against the charges with Honourable High Court of Karnataka and obtained stay on the same. The Group management is confident that the matter would be decided in favour of the Group, accordingly no provision has been made in this respect.

#### **B. Commitments**

- (a) The contractual commitments pending for the acquisition of property, plant and equipment and intangible assets as at 31 March 2025 is ₹ 187.66 (31 March 2024: ₹ 502.18).
- (b) The Group has entered into an aircraft usage agreement with a party wherein the Group along with certain other parties has committed minimum usage of aircraft. During the year ended 31 March 2025, the Group has entered into a settlement agreement and written off ₹ 111.52 (31 March 2024 - ₹ 49.65) towards aircraft usage. Accordingly, no further commitment exists as at 31 March 2025.
- (c) As at 31 March 2025, the estimated amount of contract remaining to be executed on capital account (investment property under development) not provided for is 32.69 (As at 31 March 2024: nil).

**SOBHA LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**40 FAIR VALUE MEASUREMENTS****a. The carrying amounts of financial instruments by categories is as follows:**

Particulars	Note	As at 31 March 2025			As at 31 March 2024		
		At cost	Fair value through profit or loss	At amortised cost	At cost	Fair value through profit or loss	At amortised cost
<b>Financial assets</b>							
Trade receivables	11	-	-	2,404.29	-	-	2,038.70
Cash and bank balances	15 & 16	-	-	18,088.67	-	-	6,732.95
Other financials assets	13	-	-	7,130.16	-	-	5,068.90
<b>Total</b>		-	-	<b>27,623.12</b>	-	-	<b>13,840.55</b>
<b>Financial liabilities</b>							
Borrowings	20	-	-	11,308.76	-	-	19,135.09
Lease Liabilities	38	-	-	525.86	-	-	262.24
Trade payables	23	-	-	5,648.08	-	-	6,165.47
Other financial liabilities	21	-	-	5,933.43	-	-	6,001.84
<b>Total</b>		-	-	<b>23,416.13</b>	-	-	<b>31,564.64</b>

**b. Fair value hierarchy**

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

Particulars	As at 31 March 2025				As at 31 March 2024			
	Carrying amount	Fair value			Carrying amount	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Investment property (disclosure)	4,307.09	-	1,864.30	8,105.70	4,433.13	-	1,443.60	7,755.00
	<b>4,307.09</b>	-	<b>1,864.30</b>	<b>8,105.70</b>	<b>4,433.13</b>	-	<b>1,443.60</b>	<b>7,755.00</b>

**Notes:**

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

There have been no transfers between the levels during the year.

Financial instruments such as trade receivables, loans, cash and other financial assets, borrowings, lease liabilities, trade payables and other financial liabilities are considered to be same as their fair values, due to their short term nature. For financial assets and liabilities that are measured at amortised cost, the carrying amounts are equal to the fair values.

## **SOBHA LIMITED**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

#### **40 FAIR VALUE MEASUREMENTS (Cont'd)**

##### **Valuation Method used for Level 3 Valuations**

<b>Particulars</b>	<b>Valuation Technique</b>	<b>Unobservable input</b>	<b>Relationship of unobservable input with fair value</b>
Fair value of Investment property	Income approach (Discounted cash flow method)	Discount rate	Increase/decrease in discount rate would result in decrease/increase in fair value
		Expected vacancy rates	Increase/decrease in vacancy rate would result in decrease/increase in fair value
		Rental growth rate	Increase/decrease in rental growth rate would result in increase/decrease in fair value

#### **41 FINANCIAL RISK MANAGEMENT**

The Group's principal financial liabilities comprise borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance and support the Group's operations. The Group's principal financial assets include instruments, trade and other receivables, cash and bank balances, land advances and refundable deposits that derive directly from its operations. The Group has exposure to the following risks arising from financial instruments.

<b>Risk</b>	<b>Exposure arising from</b>
Market Risk-Interest rate risk (A)	Borrowings
Credit Risk (B)	Trade receivables, cash and cash equivalents, bank balances, and other deposits and investments
Liquidity Risk (C)	Borrowings, trade payables, and other financial liabilities

#### **Risk Management policy**

The Group's senior management oversees the management of these risks. The Group's senior management is supported by a risk management committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The risk management committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks.

#### **A. Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of: interest rate risk and other price risk, such as equity price risk and commodity/real estate risk. The Group has a foreign currency exposure as at balance sheet date, which is not material.

The sensitivity analysis in the following sections relate to the position as at 31 March 2025 and 31 March 2024. The sensitivity analyses have been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt. The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post retirement obligations.

The below assumption has been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2025 and 31 March 2024.

**SOBHA LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**41 FINANCIAL RISK MANAGEMENT (Cont'd)****(i) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate of borrowings. The Group does not enter into any interest rate swaps.

Below is the overall exposure of the Group to interest rate risk:

Particulars	As at	As at
	31 March 2025	31 March 2024
Variable rate borrowings	11,308.76	19,135.09

**Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/decrease in interest rate	Effect on profit before tax (*)
<b>31 March 2025</b>		
INR	+1%	(113.09)
INR	-1%	113.09
<b>31 March 2024</b>		
INR	+1%	(191.35)
INR	-1%	191.35

\*determined on gross basis i.e. with out considering inventorisation of such borrowing cost.

**(ii) Currency risk**

Foreign currency risk is the risk arising from exposure to foreign currency movement that will impact the Group's future cash flows and profitability in the ordinary course of business. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to its import in foreign currency. The details of trade payables,denominated in foreign currency and in ₹ are as follows:

**Trade payables**

Particulars	As at 31 March 2025					As at 31 March 2024	
	QAR	SGD	AED	EUR	USD	EUR	USD
Amount in foreign currency	0.00	0.00	0.00	-	0.02	0.16	0.02
Amount in ₹	0.06	0.13	0.10	-	1.71	14.39	1.67

Particulars	As at	As at
	31 March 2025	31 March 2024
EUR	93.39	89.95
USD	85.47	83.37
QAR	23.47	NA
AED	23.28	NA
SGD	63.69	NA

**SOBHA LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**41 FINANCIAL RISK MANAGEMENT (Cont'd)****(ii) Currency risk (Cont'd)***Sensitivity analysis*

Particulars	Change in foreign currency rate by	Impact on profit or loss and equity			
		As at	As at	As at	As at
		31 March 2025	31 March 2024	31 March 2025	31 March 2024
		Increase in FC exchange rate by	Increase in FC exchange rate by		
USD	5%	(0.30)	(0.08)	0.30	0.08
EUR	5%	-	(0.72)	-	0.72
QAR	5%	(0.01)	-	0.01	NA
AED	5%	(0.01)	-	0.01	NA
SGD	5%	(0.00)	-	0.01	NA

**(iii) Price risk**

The Group's exposure to price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the Group diversifies its portfolio of assets. There are no investments held by the Group which are measured at fair value either through profit and loss or fair value through other comprehensive income, hence the Group is not exposed to price risk.

**B. Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk primarily from trade receivables (net of advances/payables), refundable joint development deposits, security deposits, loans and other financial assets measured at amortised cost. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. The carrying amounts of financial assets, unbilled revenue and contract assets represent the maximum credit exposure.

The Group assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Group assigns the following credit ratings to each class of financial/contract assets based on the assumptions, inputs and factors specific to the class of financial/contract assets:

- (a) Low credit risk
- (b) Moderate credit risk
- (c) High credit risk

The Group determines that the movement of internal credit risk rating from moderate credit risk to the high risk as significant increase in credit risk from the initial recognition.

Based on business environment in which the Group operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

## SOBHA LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

(All amounts in ₹ millions, unless otherwise stated)

#### 41 FINANCIAL RISK MANAGEMENT (Cont'd)

##### B. Credit risk (Cont'd)

The Group provides for expected credit loss based on the following:

Category	Asset class exposed to credit risk	Allowance for expected credit loss
Low credit risk/medium credit risk	Loans, trade receivables (Category A and B), cash and cash equivalents, other financial assets measured at amortised cost	12 Months expected credit loss or specific allowance whichever is higher
High credit risk	Trade receivables (Category C)	Life time expected credit loss or specific allowance

##### a. Management of Credit risk

###### i. Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only selecting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

###### ii. Trade receivables

The Group divides its receivables in the following categories based on the credit risk associated with such categories:

**Category A:** Receivables resulting from sale of properties: Customer credit risk is managed by requiring customers to pay advances before transfer of ownership, therefore, substantially eliminating the Group's credit risk in this respect. Group recognises impairment on a specific identification basis for debtors where no security exists.

**Category B:** Receivables from related parties: For related parties, the Group actively manages such credit risk by an established process of inter-party reconciliations, follow ups and active business at an arms length price. Also the Group has been able to actively collect such receivables consistently in the past.

**Category C:** Receivables resulting from other than sale of properties: Credit risk is managed by each business unit (primarily pertaining to the contractual and manufacturing business subdivisions) subject to the Group's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. The impairment analysis is performed at each reporting date on an individual basis for major clients, who have a history of prompt payment for more than 5 years with the Group. For other customers, impairment is tested collectively based on the business sub-segment in which they operate. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group does not hold collateral as security. The Group's credit period generally ranges from 30-90 days.

###### iii. Other financial assets measured at amortised cost

Other financial assets measured at amortised cost includes refundable deposits paid under joint development arrangements, security deposits, loans to related parties, and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system are in place ensure the amounts are within defined limits.

##### a. Recognition of Expected credit losses

###### i. Financial assets with credit risk classified as 'low'/'medium'

Group provides for expected credit losses on financial assets other than trade receivables by assessing individual financial instruments for expectation of any credit losses.

For cash & cash equivalents, other bank balances and derivative financial instruments - Since the Group deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, derivative financial instruments, other bank balances and bank deposits is evaluated as very low.

**SOBHA LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**41 FINANCIAL RISK MANAGEMENT (Cont'd)****B. Credit risk (Cont'd)**

For refundable deposits (RD) under joint development arrangements (JDA) and security deposits - Credit risk is considered low because the Group is in possession of the underlying asset.

For trade receivables (category A and B) and other financial assets - Credit risk is evaluated based on Group's knowledge of the credit worthiness of those parties and loss allowance is measured. For such financial assets, the Group policy is to provide for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses/specific allowance upon significant increase in credit risk.

Category	Note no.	Gross carrying amount	Expected probability of default	Expected credit losses	Carrying amount net of impairment allowance
<b>31 March 2025</b>					
Cash and bank balances	14 & 15	18,088.67	0.00%	-	18,088.67
Trade receivables (Category A and B)	11	1,125.84	0.00%	-	1,125.84
Refundable deposits under JDA	13	6,228.13	0.00%	-	6,228.13
Other financials assets	13	902.03	0.00%	-	902.03
Unbilled Revenue	14	1,467.18	0.00%	-	1,467.18
<b>31 March 2024</b>					
Cash and bank balances	15 & 16	6,732.95	0.00%	-	6,732.95
Trade receivables (Category A and B)	11	431.84	0.00%	29.12	402.72
Loans	12		0.00%	-	-
Refundable deposits under JDA	13	3,225.59	0.00%	-	3,225.59
Other financials assets	13	1,843.31	0.00%	-	1,843.31
Unbilled Revenue	14	1,736.87	0.00%	-	1,736.87

**ii. Financial assets with credit risk classified as 'high'**

For trade receivables (Category C) - The Group uses an allowance matrix to measure the expected credit losses of such trade and finance receivables. The measurement is made collectively based on the business sub-segment in which the respective customers operate. Loss rates are separately measured for customers which have a history of prompt payment, and are not significantly past due from payment. Based on the industry practices and the business environment in which the entity operates, management considers that the trade receivables and loans are in default (credit impaired) if the payments are more than 730 days past due (Net of advances/payables). Loss rates are based on actual credit loss experience over the past eleven quarters. In the current year, the Group has revised its estimation of loss rates.

**Expected credit losses measured on the simplified approach**

31 March 2025	Weighted average loss rate	Gross carrying amount	Loss Allowance	Net carrying amount after loss allowance
Current (Not past due)	2%	370.68	6.60	364.08
Upto 90 days past due	3%	630.29	18.28	612.01
91 - 180 days past due	6%	130.34	7.95	122.39
181 - 270 days past due	18%	81.06	14.49	66.57
271 - 360 days past due	26%	121.29	31.44	89.85
361 - 730 days past due	64%	65.97	42.42	23.55
More than 730 days past due	100%	198.40	198.40	0.00

**SOBHA LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**41 FINANCIAL RISK MANAGEMENT (Cont'd)****B. Credit risk (Cont'd)****Expected credit losses measured on the simplified approach (Cont'd)**

<b>31 March 2024</b>	<b>Weighted average loss rate</b>	<b>Gross carrying amount</b>	<b>Loss Allowance</b>	<b>Net carrying amount after loss allowance</b>
Current (Not past due)	2%	606.49	10.55	595.94
Upto 90 days past due	2%	575.08	13.66	561.42
91 - 180 days past due	3%	219.24	6.68	212.56
181 - 270 days past due	18%	201.12	35.26	165.86
271 - 360 days past due	24%	35.94	8.80	27.14
361 - 730 days past due	70%	127.90	89.11	38.79
More than 730 days past due	93%	503.47	469.21	34.26

**Movement in allowance for credit losses of Trade receivables**

<b>Particulars</b>	<b>As at 31 March 2025</b>	<b>As at 31 March 2024</b>
Opening balance	662.39	696.12
Amounts written off	(372.17)	(46.05)
Net remeasurement of loss allowance	29.36	12.32
<b>Closing balance</b>	<b>319.58</b>	<b>662.39</b>

**Movement in allowance for credit losses of others**

<b>Particulars</b>	<b>Other financial assets</b>	
	<b>As at 31 March 2025</b>	<b>As at 31 March 2024</b>
Opening balance	-	-
Amounts written off	-	-
Amounts written back	-	-
Net remeasurement of loss allowance	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>

**Financial instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. The Group's maximum exposure to credit risk for the components of the statement of financial position at 31 March 2025 and 31 March 2024 is the carrying amounts.

## SOBHA LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

(All amounts in ₹ millions, unless otherwise stated)

#### 41 FINANCIAL RISK MANAGEMENT (Cont'd)

##### C. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Group also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans. The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

##### 31 March 2025

Particulars	On demand	Less than one year	1 to 5 years	> 5 years	Total
Borrowings (refer note 19)	2,303.19	1,344.83	6,769.73	891.01	11,308.76
Trade payables (refer note 23)	-	5,648.08	-	-	5,648.08
Other financial liabilities (refer note 20)	-	5,933.43	-	-	5,933.43
Lease liabilities (refer note 38)	-	71.67	154.37	698.10	924.14
	<b>2,303.19</b>	<b>12,998.01</b>	<b>6,924.10</b>	<b>1,589.11</b>	<b>23,814.41</b>

##### 31 March 2024

Particulars	On demand	Less than one year	1 to 5 years	> 5 years	Total
Borrowings (refer note 19)	6,306.16	4,470.26	10,136.42	834.17	21,747.01
Trade payables (refer note 23)	-	6,165.47	-	-	6,165.47
Other financial liabilities (refer note 20)	-	6,001.84	-	-	6,001.84
Lease liabilities (refer note 38)	-	72.80	136.41	704.29	913.50
	<b>6,306.16</b>	<b>16,710.37</b>	<b>10,272.83</b>	<b>1,538.46</b>	<b>34,827.82</b>

#### 42 CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing borrowings.

Particulars	As at 31 March 2025	As at 31 March 2024
Borrowings (long-term and short-term) (Note 19)	11,308.76	19,135.09
Other financial liabilities (interest accrued but not due) (Note 20)	30.49	20.59
<b>Net debt</b>	<b>11,339.25</b>	<b>19,155.68</b>

**SOBHA LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**42 CAPITAL MANAGEMENT (Cont'd)**

<b>Particulars</b>	<b>As at 31 March 2025</b>	<b>As at 31 March 2024</b>
Equity share capital (Note 16)	1,069.36	948.46
Other equity (Note 17)	44,535.70	24,192.28
<b>Total capital</b>	<b>45,605.06</b>	<b>25,140.74</b>
<b>Capital and net debt</b>	<b>56,944.31</b>	<b>44,296.42</b>
Gearing ratio*	19.91%	43.24%

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2025 and 31 March 2024.

(\*)The change was on account of rights issue made by the Group at a premium resulted in increase of other equity (securities premium).

**43 ASSETS PLEDGED AS SECURITY**

The carrying amounts of assets pledged as security for current and non-current borrowings are:

<b>Particulars</b>	<b>As at 31 March 2025</b>	<b>As at 31 March 2024</b>
<b>A. Non-current</b>		
Property, plant and equipment	1,238.25	942.81
Investment property	4158.51	3,276.63
Financial assets	-	-
Trade receivables	540.53	393.45
Other financial assets	-	-
Fixed deposits with banks with maturity more than 12 months	-	10.11
<b>Total non-current assets</b>	<b>5,937.29</b>	<b>4,623.00</b>
<b>B. Current</b>		
Inventories	29,445.12	43,642.34
Financial assets	-	-
Trade receivables	1,543.02	1,515.77
Cash and cash equivalents	18.82	5.80
Bank balance other than cash and cash equivalents	112.60	91.20
Other current assets	398.13	1,297.98
<b>Total current assets</b>	<b>31,517.69</b>	<b>46,553.09</b>
<b>Total assets pledged as security</b>	<b>37,454.98</b>	<b>51,176.09</b>

**SOBHA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**44 ADDITIONAL INFORMATION PURSUANT TO PARA 2 OF GENERAL INSTRUCTIONS FOR THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31 MARCH 2025 AND 31 MARCH 2024**

**31 March 2025**

Name of the entity	Net assets		Share in profit or loss		Share in OCI		Share in total comprehensive income	
	% of consolidated net assets	Amount	% of consolidated profit or loss	Amount	% of consolidated OCI	Amount	% of consolidated total comprehensive income	Amount
<b>Parent</b>	88.00%	44,219.04	113.23%	1,122.32	100.00%	(22.55)	113.53%	1,099.77
Sobha Limited								
<b>Subsidiaries</b>								
<b>Indian</b>								
Sobha City [Partnership firm]	3.46%	1,738.41	1.01%	10.04	0.00%	-	1.04%	10.04
Yayaloor Properties Private Limited	0.00%	2.12	0.01%	0.08	0.00%	-	0.01%	0.08
Yayaloor Builders Private Limited	0.01%	3.58	0.01%	0.14	0.00%	-	0.01%	0.14
Yayaloor Developers Private Limited	0.01%	3.48	0.01%	0.14	0.00%	-	0.01%	0.14
Yayaloor Real Estate Private Limited	0.01%	4.10	0.02%	0.17	0.00%	-	0.02%	0.17
Yayaloor Realtors Private Limited	0.00%	0.69	0.00%	0.02	0.00%	-	0.00%	0.02
Valasai Vettikadu Realtors Private Limited	0.00%	1.51	0.01%	0.05	0.00%	-	0.01%	0.05
Sobha Developers (Pune) Limited	4.26%	2,140.30	-3.27%	(32.37)	0.00%	-	-3.34%	(32.37)
Sobha Assets Private Limited	0.00%	0.15	0.00%	(0.04)	0.00%	-	0.00%	(0.04)
Sobha Highrise Ventures Private Limited	1.15%	577.59	-1.69%	(16.74)	0.00%	-	-1.73%	(16.74)
Sobha Interiors Private Limited	(0.02%)	(8.10)	0.55%	5.48	0.00%	-	0.57%	5.48
Sobha Construction Products Private Limited	0.02%	11.76	0.06%	0.56	0.00%	-	0.06%	0.56
Sobha Contracting Private Ltd	-0.24%	(122.81)	-12.45%	(123.39)	0.00%	-	-12.74%	(123.39)
Sobha Nandambakkam Developers Limited	0.17%	85.69	0.37%	3.65	0.00%	-	0.38%	3.65
Sobha Tambaram Developers Limited	0.45%	228.29	5.72%	56.73	0.00%	-	5.86%	56.73
Kilai Builders Private Limited	0.38%	191.11	-0.69%	(6.79)	0.00%	-	-0.70%	(6.79)
Kuthavakkam Builders Private Limited	(0.05%)	(26.77)	-0.80%	(7.89)	0.00%	-	-0.81%	(7.89)
Kuthavakkam Realtors Private Limited	(0.06%)	(27.70)	-1.02%	(10.08)	0.00%	-	-1.04%	(10.08)
C.V.S. Tech Park Private Limited	0.00%	(1.73)	-0.18%	(1.77)	0.00%	-	-0.18%	(1.77)

**SOBHA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**44 ADDITIONAL INFORMATION PURSUANT TO PARA 2 OF GENERAL INSTRUCTIONS FOR THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31 MARCH 2025 AND 31 MARCH 2024 (Cont'd)**

**31 March 2025 (Cont'd)**

Name of the entity	Net assets		Share in profit or loss		Share in OCI		Share in total comprehensive income	
	% of consolidated net assets	Amount	% of consolidated profit or loss	Amount	% of consolidated OCI	Amount	% of consolidated total comprehensive income	Amount
Sobha Commercial Private Limited (Formerly known as BNB Builders Private Limited)	0.17%	83.66	-0.92%	(9.08)	0.00%	-	-0.94%	(9.08)
<b>Joint ventures (Investment as per the equity method)</b>								
Kondhwa Projects LLP	2.28%	1,146.20	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
<b>Sub total</b>	<b>100.00%</b>	<b>50,250.57</b>	<b>100.00%</b>	<b>991.22</b>	<b>100.00%</b>	<b>(22.55)</b>	<b>100.00%</b>	<b>968.67</b>
Adjustments arising out of consolidation		(4,645.51)		(44.36)		-		(44.36)
<b>Total</b>		<b>45,605.06</b>		<b>946.86</b>		<b>(22.55)</b>		<b>924.31</b>

**31 March 2024**

Name of the entity	Net assets		Share in profit or loss		Share in OCI		Share in total comprehensive income	
	% of consolidated net assets	Amount	% of consolidated profit or loss	Amount	% of consolidated OCI	Amount	% of consolidated total comprehensive income	Amount
<b>Parent</b>								
Sobha Limited	78.97%	23,579.27	77.72%	465.69	100.00%	(12.56)	77.24%	453.13
<b>Subsidiaries</b>								
<b>Indian</b>								
Sobha City [Partnership firm]	6.47%	1,931.86	7.32%	43.87	0.00%	-	7.48%	43.87
Yayaloor Properties Private Limited	0.01%	2.04	(0.00%)	(0.03)	0.00%	-	(0.00%)	(0.03)
Yayaloor Builders Private Limited	0.01%	3.44	0.00%	0.00	0.00%	-	0.00%	0.00
Yayaloor Developers Private Limited	0.01%	3.33	0.00%	0.00	0.00%	-	0.00%	0.00

**SOBHA LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

**44 ADDITIONAL INFORMATION PURSUANT TO PARA 2 OF GENERAL INSTRUCTIONS FOR THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31 MARCH 2025 AND 31 MARCH 2024 (Cont'd)**

**31 March 2024 (Cont'd)**

Name of the entity	Net assets		Share in profit or loss		Share in OCI		Share in total comprehensive income	
	% of consolidated net assets	Amount	% of consolidated profit or loss	Amount	% of consolidated OCI	Amount	% of consolidated total comprehensive income	Amount
Vayaloor Real Estate Private Limited	0.01%	3.93	0.00%	0.02	0.00%	-	0.00%	0.02
Vayaloor Realtors Private Limited	0.00%	0.67	(0.00%)	(0.02)	0.00%	-	(0.00%)	(0.02)
Valasai Vettikadu Realtors Private Limited	0.00%	1.45	(0.00%)	(0.01)	0.00%	-	(0.00%)	(0.01)
Sobha Developers (Pune) Limited	7.28%	2,172.67	2.69%	16.10	0.00%	-	2.74%	16.10
Sobha Assets Private Limited	0.00%	0.19	(0.12%)	(0.70)	0.00%	-	(0.12%)	(0.70)
Sobha Highrise Ventures Private Limited	1.99%	594.33	(7.17%)	(42.97)	0.00%	-	(7.33%)	(42.97)
Sobha Interiors Private Limited	(0.05%)	(13.58)	1.01%	6.03	0.00%	-	1.03%	6.03
Sobha Construction Products Private Limited	0.04%	11.20	0.09%	0.56	0.00%	-	0.10%	0.56
Sobha Contracting Private Ltd	0.00%	0.69	0.43%	2.55	0.00%	-	0.44%	2.55
Sobha Nandambakkam Developers Limited	0.27%	82.04	4.76%	28.51	0.00%	-	4.86%	28.51
Sobha Tambaram Developers Limited	0.57%	171.57	8.95%	53.65	0.00%	-	9.15%	53.65
Kilai Builders Private Limited	0.67%	199.34	4.35%	26.07	0.00%	-	4.44%	26.07
Kuthavakkam Builders Private Limited	(0.06%)	(18.88)	(0.02%)	(0.11)	0.00%	-	(0.02%)	(0.11)
Kuthavakkam Realtors Private Limited	(0.06%)	(17.62)	0.01%	0.05	0.00%	-	0.01%	0.05
<b>Joint ventures</b> <b>(Investment as per the equity method)</b>		-		-		-		-0.061508
Kondhwa Projects LLP	3.85%	1,149.33	(0.00%)	(0.02)	0.00%	-	0.00%	(0.02)
<b>Associates</b>								
C.V.S. Tech Park Private Limited	0.00%	0.04	(0.01%)	(0.06)	0.00%	-	0.00%	-
<b>Sub total</b>	<b>100.00%</b>	<b>29,857.31</b>	<b>100.00%</b>	<b>599.18</b>	<b>100.00%</b>	<b>(12.56)</b>	<b>100.01%</b>	<b>586.62</b>
Adjustments arising out of consolidation		(4,716.57)		(108.05)		-		(108.05)
<b>Total</b>		<b>25,140.74</b>		<b>491.13</b>		<b>(12.56)</b>		<b>478.57</b>

## **SOBHA LIMITED**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

#### **45 RIGHTS ISSUE OF EQUITY SHARES**

- a) The Board of Directors of the Holding Company (the "Board") on 12 June 2024 approved an issue of upto 12,107,981 equity shares of face value of ₹ 10 (in rupees) each of the Holding Company ("rights equity shares") for cash at a price of ₹ 1,651 (in rupees) per rights equity share (including a premium of ₹ 1,641 (in rupees) per rights equity share) ("issue price") in the ratio of 6 rights equity shares for every 47 fully paid-up equity shares aggregating to ₹ 19,990.28 on record date 19 June 2024.

The Holding Company received ₹ 825.5 (in rupees) per rights equity share (including a premium of ₹ 820.5 (in rupees) per rights equity share) from the eligible equity shareholders on amounting to ₹ 9,995.14. The shares were allotted on 11 July 2024 to the eligible shareholders and shares got listed on 22 July 2024.

The Board at its meeting held on 14 November 2024, approved First and Final call of ₹ 825.50 (in rupees) per rights equity share and fixed 06 December 2024, as the record date for determining eligible shareholders. The Holding Company received call money on 12,072,898 partly paid-up rights equity shares of ₹ 825.50 (in rupees) per share (comprising ₹ 5 (in rupees) towards face value and ₹ 820.50 (in rupees) towards Share Premium) amounting to ₹ 9,947.48.

As at 31 March 2025, 35,083 equity shares were partly paid-up, against which the balance call money is yet to be received.

- b) **Proceeds from the rights issue have been utilised upto 31 March 2025 in the following manner:**

<b>Particulars</b>	<b>Planned</b>	<b>Amount utilised</b>	<b>Unutilised Amount</b>
<b>Objects of issue as stated in final letter of offer:</b>			
a) Repayment of certain borrowings availed by the Holding Company	9,050.00	9,050.00	-
b) Funding certain project related expenses for ongoing projects and forthcoming projects	2,123.58	579.63	1,543.95
c) Purchase of equipment and machinery	2,100.28	233.27	1,867.01
d) Funding acquisition of unidentified land parcels and general corporate purposes*	6,585.86	4,866.78	1,719.08
e) Issue related expenses	130.56	126.32	4.24
<b>Total</b>	<b>19,990.28</b>	<b>14,856.00</b>	<b>5,134.28</b>

\*As per objects of the issue as mentioned in the letter of offer, in case of any difference between the estimated issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes.

The Holding Company has parked unutilised proceeds of ₹ 5,134.76 in fixed deposits with banks, the right issue allotment account and monitoring account.

There has been no variation or deviation in the utilization of the funds raised by the Holding Company as stated in the letter of offer dated 19 June 2024.

- c) **Issue related expenses:**

<b>Particulars</b>	<b>Amount</b>
Debited to securities premium	126.32
Debited to statement of profit and loss	-
<b>Total</b>	<b>126.32</b>

## **SOBHA LIMITED**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

#### **45 RIGHTS ISSUE OF EQUITY SHARES (Cont'd)**

**d) Transactions with any person or entity belonging to the promoter/promoter group which holds 10% or more shareholding in the Group:**

<b>Particulars</b>	<b>Amount</b>
Proceeds from right issue of equity shares	
Sobha Menon	6,661.19
PNC Menon	2,861.27
<b>Total</b>	<b>9,522.46</b>

#### **46 ADDITIONAL REGULATORY INFORMATION PURSUANT TO THE REQUIREMENT IN DIVISION II OF SCHEDULE III TO THE COMPANIES ACT 2013**

- (i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
  - (ii) The Group does not have any transactions with companies struck off.
  - (iii) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
  - (iv) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
    - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or
    - (b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
  - (v) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
    - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
    - (b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (vi) The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
  - (vii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- 47** The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

## **SOBHA LIMITED**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

(All amounts in ₹ millions, unless otherwise stated)

#### **47 (Cont'd)**

The Holding Company has used accounting software for maintaining its books of account for the period from 1 April 2024 to 19 August 2024 which has a feature of recording audit trail (edit log) facility and the same has been enabled and operated throughout the period for all relevant transactions recorded in the accounting software 19 subsidiary companies, have used accounting software for maintenance of their books of accounts which have a feature of recording audit trail (edit log) facility and the same have been enabled and operated throughout the year for all relevant transactions recorded in the software.

The Holding Company has used another accounting software for maintaining its books of account for the period from 4 August 2024 to 31 March 2025 which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the period for all relevant transactions recorded in the accounting software at the application level except that the audit trail feature was not enabled for certain masters throughout the period and for customer master and vendor master from 4 August 2024 to 18 March 2025. Further, the database of the said accounting software is operated by a third-party software provider. The 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with ISAE 3402, Assurance Reports on Controls at a Service Organization) does not provide any information for any direct changes made at the database level of the said software for the aforesaid period.

Further, the Holding Company has used another software which is operated by a third party service provider for maintenance of payroll records which has a feature of recording audit trail (edit log) facility and the same has been enabled and operated throughout the period for all relevant transactions recorded in the accounting software.

- 48** As the Group is engaged in providing infrastructural facilities as specified in Schedule VI of the Act, provisions of section 186 except sub-section (1) of the Act are not applicable to the Group.
- 49** No material events have occurred between the Balance Sheet date to the date of issue of these consolidated financial statements that could affect the values stated in the financial statements as at 31 March 2025.
- 50** Previous year's figures have been regrouped or reclassified wherever necessary to conform with the current year figures. The impact of such reclassification/regrouping is not material to the consolidated financial statement.

As per our report of even date

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm registration number: 001076N/N500013

For and on behalf of the Board of Directors of  
**Sobha Limited**

**Manish Agrawal**  
Partner  
Membership No.: 507000

**Ravi PNC Menon**  
Chairman  
DIN: 02070036

**Jagadish Nangineni**  
Managing Director  
DIN: 01871780

**Place:** Bengaluru  
**Date:** 29 May 2025

**Yogesh Bansal**  
Chief Financial Officer

**Bijan Kumar Dash**  
Company Secretary and  
Compliance Officer  
ACS17222

## FORM AOC-1

(Pursuant to first proviso to sub section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014

### Statement containing salient features of the financial statement of Subsidiaries, Associate Companies/Joint Ventures

#### PART "A": SUBSIDIARIES

Particulars	Sobha Developers (Pune) Limited	Sobha Highrise Ventures Private Limited	Sobha Assets Private Limited	Sobha Tambaram Developers Limited	Sobha Nandambakkam Developers Limited	Sobha Construction Products Private Limited	CVS Tech Park Private Limited	Sobha Contracting private Limited*	Kilai Builders Private Limited**	Sobha Interiors Private Limited**	Kuthavakkam Builders Private Limited**	Kuthavakkam Realtors Private Limited**	Sobha Commercial private Limited (Formerly known as BNB Builders Private Limited)**
	2024-25 ₹ in Million	2024-25 ₹ in Million	2024-25 ₹ in Million	2024-25 ₹ in Million	2024-25 ₹ in Million	2024-25 ₹ in Million	2024-25 ₹ in Million	2024-25 ₹ in Million	2024-25 ₹ in Million	2024-25 ₹ in Million	2024-25 ₹ in Million	2024-25 ₹ in Million	2024-25 ₹ in Million
Reporting Period	2024-25	2024-25	2024-25	2024-25	2024-25	2024-25	2024-25	2024-25	2024-25	2024-25	2024-25	2024-25	2024-25
Reporting Currency	₹ in Million	₹ in Million	₹ in Million	₹ in Million	₹ in Million	₹ in Million	₹ in Million	₹ in Million	₹ in Million	₹ in Million	₹ in Million	₹ in Million	₹ in Million
Share Capital	0.53	129.00	0.10	0.50	0.50	10.00	0.10	0.10	0.50	6.00	0.50	0.50	90.00
Reserve and Surplus	2,139.77	448.59	0.05	227.79	85.19	1.76	(1.83)	(122.91)	190.61	(14.11)	(27.27)	(28.20)	(6.34)
Total Assets	2,976.41	4,119.67	336.27	229.28	95.95	11.79	25.17	1,212.48	785.47	124.37	96.09	199.56	330.82
Total Liabilities	836.11	3,542.08	336.12	0.99	10.26	0.02	26.91	1,335.29	594.36	132.47	122.85	227.26	247.16
Investments	1,962.77	0.10	-	-	-	-	-	-	-	112.66	-	-	-
Turnover	31.76	234.31	-	97.91	19.94	0.78	-	553.00	57.62	14.06	-	0.21	1.42
Profit before Taxation	(43.24)	(18.55)	(0.04)	76.40	5.09	0.75	(1.77)	(162.20)	(7.12)	7.69	(7.89)	(12.81)	(9.08)
Provision for Taxation	(10.86)	(1.81)	-	19.67	1.45	0.19	-	(38.81)	(0.33)	2.22	-	(2.72)	0.01
Profit after Taxation	(32.37)	(16.74)	(0.04)	56.73	3.65	0.560	(1.77)	(123.39)	(6.79)	5.48	(7.89)	(10.09)	(9.08)
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-
% Share Holding	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

\*Sobha Contracting Private Limited is a wholly owned subsidiary of Sobha Highrise Ventures Private Limited. Hence, a stepdown subsidiary of Sobha Limited.

\*\*Kilai Builders Private Limited, Sobha Interiors Private Limited, Kuthavakkam Builders Private Limited, Kuthavakkam Realtors Private Limited and Sobha Commercial private Limited(Formerly known as BNB Builders Private Limited) are wholly owned subsidiary of Sobha Developers (Pune) Limited. Hence, a stepdown subsidiary of Sobha Limited.

## PART "B": SUBSIDIARIES

Particulars	Sobha City (Partnership firm)*	Valasai Vettikadu Realtors Private Limited**	Vayaloor Properties Private Limited**	Vayaloor Realtors Private Limited**	Vayaloor Real Estate Private Limited**	Vayaloor Developers Private Limited**	Vayaloor Builders Private Limited**
Reporting Period	2024-25	2024-25	2024-25	2024-25	2024-25	2024-25	2024-25
Reporting Currency	₹ in Million	₹ in Million	₹ in Million	₹ in Million	₹ in Million	₹ in Million	₹ in Million
Share Capital/Partners Capital	400***	0.10	0.10	0.10	0.10	0.10	0.10
Reserve and Surplus	1,338.41	1.41	2.02	0.59	4.00	3.38	3.48
Total Assets	3,820.14	1.54	2.14	5.98	4.12	3.49	3.60
Total Liabilities	2,081.73	0.03	0.02	5.30	0.02	0.02	0.02
Investments	0.60	-	-	-	-	-	-
Turnover	372.56	0.09	0.13	0.04	0.25	0.21	0.21
Profit before Taxation	35.92	0.07	0.10	0.02	0.23	0.19	0.19
Provision for Taxation	25.89	0.02	0.03	-	0.06	0.05	0.05
Profit after Taxation	10.04	0.05	0.08	0.02	0.17	0.15	0.14
Proposed Dividend	-	-	-	-	-	-	-
% Share Holding	100%	100%	100%	100%	100%	100%	100%

\*Sobha City\* (Partnership firm) is having 100% Investment of Sobha Limited.

\*\*Sobha City Firm Holding 100% equity shares of the Valasai Vettikadu Realtors Private Limited, Vayaloor Properties Private Limited, Vayaloor Realtors Private Limited, Vayaloor Real Estate Private Limited, Vayaloor Developers Private Limited, and Vayaloor Builders Private Limited.

\*\*\*₹ 400 million (Partner's capital ₹ 400 million includes Partner's capital namely Sobha Limited & Sobha Developers(Pune) Limited.

### Note:

- Names of subsidiaries which are yet to commence business: **None**
- Names of subsidiaries which have been liquidated or sold during the year: **None**

For and on behalf of the Board of Directors of **Sobha Limited**

**Ravi PNC Menon**  
Chairman  
DIN: 02070036

**Jagadish Nangineni**  
Managing Director  
DIN: 01871780

**Yogesh Bansal**  
Chief Financial Officer

**Bijan Kumar Dash**  
Company Secretary and Compliance Officer

**Place:** Bengaluru  
**Date:** 29 May 2025

# Notice of Annual General Meeting

**NOTICE** is hereby given that the Thirtieth (30<sup>th</sup>) Annual General Meeting of the Members of Sobha Limited (“the Company”) will be held on Thursday the 24 day of July 2025 at 3:00 PM through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”) to transact the following business:

## ORDINARY BUSINESS:

### 1. Adoption of financial statements

- (a) To consider and adopt the standalone financial statements of the Company for the financial year ended March 31, 2025, together with reports of the Board of Directors and the Statutory Auditors thereon.
- (b) To consider and adopt the consolidated financial statements of the Company for the financial year ended March 31, 2025, together with the report of the Statutory Auditors thereon.

### 2. Declaration of final dividend on the equity shares of the Company for the financial year ended March 31, 2025

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** a dividend at the rate of ₹ 3/- per equity share of ₹ 10/- (Rupees Ten only) each fully paid-up shares of the Company and pro-rata dividend on partly paid-up equity shares, if any, as recommended by the Board of Directors, be and is hereby declared for the financial year ended March 31, 2025 and the same be paid out of the profits of the Company.”

### 3. Reappointment of Mr. Jagadish Nangineni (DIN: 01871780), as a director liable to retire by rotation

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, including any statutory modification(s) or re-enactment thereof for the time being in force Mr. Jagadish Nangineni (DIN: 01871780), who retires by rotation at this meeting, and being eligible, offers himself for re-appointment, be and is hereby reappointed as a Director of the Company.”

## SPECIAL BUSINESS:

### 4. Appointment of Nagendra D Rao & Associates LLP, Company Secretaries as the Secretarial Auditor of the company for a period of 5 (five) years

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** Pursuant to Regulations 24A, 36 (5) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Section 204 of the Companies Act, 2013 (“the Act”) read with the Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and such other applicable provisions, if any, of the Act and the Rules framed thereunder, and based on the recommendation of the Audit Committee and Board of Directors of the Company, Nagendra D Rao & Associates LLP, Company Secretaries, (Firm Registration no AAK – 4698 Peer review certificate no 5827/2024) be and are hereby appointed as the Secretarial Auditor of the Company, to hold office for a term of 5 (five) years commencing from FY 2025-26 until FY 2029-30, at such remuneration to be recommended by the Audit Committee of the Board of Directors and finalized by the Board of Directors in consultation with the Secretarial Auditor.

**RESOLVED FURTHER THAT** Mr. Jagadish Nangineni, Managing Director and Mr. Bijan Kumar Dash, Company Secretary and Compliance Officer of the Company be and are hereby severally authorised to do all such acts, deeds, things, matters, and to execute all such documents as may be required to give effect to this Resolution.”

### 5. Ratification of remuneration payable to Cost Auditors of the Company for the financial year 2024-25

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of

the Companies (Audit and Auditors) Rules, 2014, including any amendment or re-enactment thereof for the time being in force, members of the Company do hereby ratify the remuneration not exceeding ₹ 2,30,000 (Rupees Two Lakh Thirty Thousand only) plus reimbursement of out of pocket expenses and taxes as may be applicable from time to time to M/s. Gudi Srinivasarao and Co., Cost Accountants (Firm Registration No.: 0004336), the Cost Auditors of the Company for the financial year 2024-25.

**RESOLVED FURTHER THAT** Mr. Jagadish Nangineni, Managing Director and Mr. Bijan Kumar Dash, Company Secretary and Compliance Officer of the Company be and are hereby severally authorised to do all such acts, deeds, things, matters, and to execute all such documents as may be required to give effect to this Resolution."

## 6. Issue of Non-Convertible Debentures on private placement basis

To consider, and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 42, 71 and other applicable provisions, if any, of the Companies Act, 2013, relevant rules made thereunder and any other law for the time being in force and the provisions contained in the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations 2021, the guidelines issued by the Securities and Exchange Board of India (SEBI), and subject to the approval, permissions and sanctions of the lenders of the Company, SEBI, Stock Exchanges, Reserve Bank of India (RBI), Government of India and other concerned authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of the aforementioned authorities while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company, the approval of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall deem to include Investment and Borrowing Committee constituted by the Board to exercise its powers conferred by this resolution) to borrow or raise funds by issuance of Unsecured Non-Convertible Debentures (NCDs)/ Bonds/Other Instruments, whether Listed and/or Unlisted ("Instruments"), on private placement basis, in one or more tranches, such that the total amount does not exceed ₹ 1,000 Crore (Rupees One Thousand Crore Only), during a period of 1(One) year

from the date of passing of this Special Resolution by the Members, with such ranking and seniority and on such terms and conditions as may be decided by the Board to such person(s), including one or more company(ies), body corporate(s), statutory corporation(s), commercial bank(s), systematically important non-banking financial company(ies), lending agency(ies), financial institution(s), insurance company(ies), mutual fund(s), pension/provident fund(s), individual(s) and such other person(s) eligible to invest in such Instruments [hereinafter collectively referred to as "Investors"], provided that such investors shall cumulatively not exceed 200 (Two Hundred) in number in any financial year, for such amount(s) as the Board may in its absolute discretion at any time hereafter determine, and that the said borrowing shall be within the overall borrowing limits of the Company as may be approved by the Members from time-to-time

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be required, desirable and permissible in connection with the aforesaid resolution including determination of the terms thereof, executing and finalizing the forms, disclosure and placement documents, General Information Document(s), Key Information Document(s), offer letter, timing of the issue, execution of any documents for and on behalf of the Company and to represent the Company before any governmental or regulatory authority(ies), also to enter into and execute all such arrangements, agreements, memoranda, documents etc. with such agencies and further authorised to make requisite filing with concerned regulatory/government authority(ies)/depository(ies), Stock Exchanges and/or any other regulatory authority(ies) to give effect to this resolution and further to take all other steps which may be incidental, consequential, relevant or ancillary in this connection and to settle any question, difficulty or doubt that may arise in regard to the offer/issue, allotment, utilisation of the proceeds and redemption of the Instruments, without being required to seek any further consent or approval of the Members or otherwise, to the end and intent that its Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any powers conferred herein to Investment and Borrowing Committee/any Director(s)/Officer(s)/Authorised Signatory(ies) of the Company to do all such acts, deeds, matters and things as may be required, desirable and permissible to give effect to this Resolution.

**RESOLVED FURTHER THAT** all action(s) taken by the Board, any Director(s)/Investment and Borrowing Committee/Officer(s)/Authorised Signatory(ies) of the Company in connection with any matter(s) referred to or contemplated in any of the foregoing Resolution be and are hereby approved, ratified and confirmed in all respects.

**RESOLVED FURTHER THAT** a true copy of the foregoing resolution certified to be true by any of the Directors or the Chief Financial Officer or the Company Secretary be furnished to the concerned authority(ies)/person(s)/Bank(s) and they be requested to act accordingly."

By Order of the Board of Directors  
For **Sobha Limited**

**Place:** Bengaluru  
**Date:** May 29, 2025

**Registered Office:**  
"SOBHA",  
Sarjapur-Marathahalli Outer Ring Road  
Bellandur Post, Bengaluru – 560103.  
CIN: L45201KA1995PLC018475

**Sd/-**  
**Bijan Kumar Dash**  
Company Secretary & Compliance Officer

## Notes:

1. Pursuant to General Circular No. 09/2024 dated September 19, 2024, 09/2023 dated September 25, 2023, 10/2022 dated December 28, 2022 and other relevant circular issued by the Ministry of Corporate Affairs (MCA), SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 3, 2024, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023, Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/167 dated October 07, 2023 and other relevant circular issued by the Securities and Exchange Board of India (hereinafter collectively referred to as 'Circulars'), the Annual General Meeting of the Company is ("AGM") convened through Video Conferencing/Other Audio-Visual Means (VC/OAVM).
2. Since this AGM is being held pursuant to the circulars through VC/OAVM, the physical attendance of members has been dispensed with. Accordingly, the facility for the appointment of proxies by the members will not be available for the AGM and hence, the proxy form, attendance slip and Route Map are not annexed to this notice.
3. Explanatory Statement pursuant to the provisions of Section 102(1) of the Companies Act, 2013 is annexed to and forms part of this Notice.
4. In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") and Secretarial Standards issued by the Institute of Company Secretaries of India, additional information on directors seeking appointment/re-appointment is provided separately.
5. Institutional shareholders (i.e. investors other than individuals, HUF, NRI etc.) intending to appoint authorised representative to participate and/or vote through e-voting, are requested to send scanned copy of the certified true copy of Board Resolution/ Authority letter etc. to the Scrutiniser by e-mail to [nagendradrao@gmail.com](mailto:nagendradrao@gmail.com) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com). Institutional shareholders and Corporate Members may also upload their Board Resolution/Power of Attorney/Authority Letter etc. by clicking on "Upload Board Resolution/Authority Letter" displayed under "e-Voting" tab in their login.
6. In the case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM through e-voting.

### **PARTICIPATION AT THE ANNUAL GENERAL MEETING AND VOTING THROUGH ELECTRONIC MEANS**

7. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available on first come first served basis. This will not include large shareholders (shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination, Remuneration and Governance Committee and Stakeholders Relationship Committee, Auditors etc., who are allowed to attend the AGM without restriction on account of first come first served basis.
8. In terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), and the provisions of the Regulation 44 of the SEBI LODR Regulations, 2015 listed companies are required to provide members with the facility to exercise their votes electronically, through remote e-voting. The Company has availed the services of M/s. MUFG Intime India Private Limited (Link Intime) for providing the necessary remote e-Voting platform to the members of the Company.
9. Members may note that the Notice of the Thirtieth Annual General Meeting and the Annual Report 2025 will be available on the Company's website: [www.sobha.com](http://www.sobha.com). The Notice of Annual General Meeting shall also be available on the website of MUFG Intime India Private Limited. The Company has published a Public Notice by way of advertisement in a Kannada Newspaper and in an English Newspaper with the required details of 30<sup>th</sup> AGM, for information of the Members.
10. **The e-voting period shall commence on Monday, the 21<sup>st</sup> day of July 2025 at 9:00 A.M. and ends on Wednesday, 23<sup>rd</sup> day of July, 2025 at 5.00 P.M. Once the vote on a resolution is cast by a shareholder, it cannot be changed subsequently. The members can go through the e-voting process and instructions provided at point no 32 of the notes.**
11. The Board of Directors has appointed Mr. Nagendra D Rao, Practising Company Secretary (Membership No. 5553, COP No. 7731) and in his absence Mr. Natesh K, Practising Company Secretary (Membership No. 6835, COP No. 7277) as the Scrutinizer for conducting the remote e-voting and poll process in accordance with law and in a fair and transparent manner. The Scrutinizer shall within a period of two working days from the conclusion of the annual general meeting, prepare a consolidated Scrutinizer's Report of the votes cast in favour or against, if any, and submit it forthwith to the Chairman of the Company.
12. The Results declared along with the Scrutinizer's Report shall be placed on the website of the Company and on the website of MUFG Intime India Private Limited.
13. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
14. Members will be provided with Insta Meet facility wherein they shall register their details and attend the AGM as under:
  - a) Visit URL: <https://instameet.in.mpms.mufig.com> & click on "Login".
  - b) Select the "Company" and 'Event Date' and register with your following details:
    - A. Demat Account No. or Folio No:  
Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID.  
  
Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.  
  
Shareholders holding shares in physical form – shall provide Folio Number.
    - B. PAN:  
Enter your 10-digit Permanent Account Number (PAN)  
  
(Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
    - C. Mobile No: Enter your Mobile No.
    - D. Email ID: Enter your email Id as recorded with your DP/Company.
  - c) Click "Go to Meeting":  
You are now registered for InstaMeet, and your attendance is marked for the meeting.

15. **Instructions for shareholders to Speak during the General Meeting:**

- a) Shareholders who would like to speak during the meeting must register their request with the company.
- b) Shareholders will get confirmation on first cum first basis depending upon the provision made by the company.
- c) Shareholders will receive “speaking serial number” once they mark attendance for the meeting. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.
- d) Other shareholder who has not registered as “Speaker Shareholder” may still ask questions to the panellist via active chat-board during the meeting.

*\*Shareholders are requested to speak only when moderator of the meeting/management announce the name and serial number for speaking.*

16. **Instructions for Members to Vote during the AGM:**

Once the electronic voting is activated during the meeting, shareholders who have not exercised their vote through the remote e-voting can cast the vote as under:

- a) On the Shareholders VC page, click on the link for e-Voting “Cast your vote”.
- b) Enter your 16-digit Demat Account No./Folio No. and OTP (received on the registered mobile number/registered email Id) received during registration for Instameet.
- c) Click on 'Submit'.
- d) After successful login, you will see “Resolution Description” and against the same the option “Favour/Against” for voting.
- e) Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/ Against’.
- f) After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on “Save”. A confirmation box will be

displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

**Note:**

*Shareholders/Members, who will be present in the General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.*

*Shareholders/Members who have voted through Remote e-Voting prior to the General Meeting will be eligible to attend/participate in the General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.*

*Shareholders/Members are encouraged to join the Meeting through Tablets/Laptops connected through broadband for better experience.*

*Shareholders/Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.*

*Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.*

**Helpdesk:**

*Shareholders facing any technical issue in login may contact INSTAMEET helpdesk by sending a request at [instameet@in.mpms.mufg.com](mailto:instameet@in.mpms.mufg.com) or contact on: Tel: 022 – 4918 6000/4918 6175.*

**DIVIDEND**

17. The record date is fixed as Friday the **11<sup>th</sup> day of July, 2025** and the Register of Members and the Share Transfer Books of the Company will remain closed on Friday, the **11<sup>th</sup> day of July, 2025** for the purpose of this AGM and for determining the entitlement of Members to dividend for the financial year ended March 31, 2025, if approved at the AGM.
18. The dividend if approved by the members at the Annual General Meeting will be deposited in a separate bank account within 5 days from the date of the Annual General Meeting and the same will be

paid to the shareholders as per the provisions of the Companies Act, 2013 and the Rules made thereunder, and Circulars issued from time to time.

## INVESTOR CLAIMS

19. Members who have not yet encashed their dividend warrants for earlier years are requested to write to the Secretarial Department at the Registered Office of the Company or send an e-mail to: [investors@sobha.com](mailto:investors@sobha.com) to claim the dividend. Details of unclaimed dividend as on 31.03.2025 are available in the 'Investors Claim' section of the website of the Company [www.sobha.com](http://www.sobha.com).
20. During the financial year 2025-26, the Company will be required to transfer to the Investor Education and Protection Fund, the dividend declared in the Annual General Meeting of the Company held on August 07, 2018 and which is lying unclaimed with the Company for a period of seven years from the date of transfer to the Unpaid Dividend Account.

## INVESTOR SERVICING

21. As per Regulation 40 of SEBI LODR Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, MUFG Intime India Private Limited for assistance in this regard.
22. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Company in case the shares are held by them in physical form.
23. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Sobha Limited in case the shares are held by them in physical form.
24. As per the provisions of Section 72 of the Act, the facility for making nomination is available

for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to Sobha Limited in case the shares are held in physical form.

25. All Investor Queries/Complaints/Grievances may be addressed to the Secretarial Department at the Registered Office of the Company or by sending an e-mail to [investors@sobha.com](mailto:investors@sobha.com). Members can also write to MUFG Intime India Private Limited, the Registrar and Share Transfer Agents of the Company, having their office at 247, LBS Marg, Vikhroli (West), Mumbai - 400083 or send an e-mail to [rnt.helpdesk@in.mpms.mufg.com](mailto:rnt.helpdesk@in.mpms.mufg.com).

## OTHERS

26. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2024-25 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2024-25 will also be available on the Company's website [www.sobha.com](http://www.sobha.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively.
27. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
28. As per Indian Income Tax Act, 1961 dividend paid and distributed by a company is taxable in the hands of shareholders. Therefore, the Company is required to deduct taxes at source (TDS) at the rates applicable on the amount distributed to the shareholders.

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to [rnt.helpdesk@in.mpms.mufg.com](mailto:rnt.helpdesk@in.mpms.mufg.com) on or before Friday, 11<sup>th</sup> day of July 2025. Further no tax shall be deducted on the dividend payable to a resident individual shareholder if the total amount of dividend to be received from the Company during the Financial Year 2025-26 does not exceed ₹ 10,000/-. Shareholders may note that in case of Invalid PAN/PAN is not updated with the Depository Participant/Register of the Company, the tax will be deducted at a higher rate provided i.e., 20% of tax deduction at source.

Non-resident shareholders and Foreign Institutional Investors/Foreign Portfolio Investors can avail the benefit of Double Tax Avoidance Agreement [DTAA] between India and the country of your tax residence. In case Non- resident shareholder and Foreign Institutional Investors/Foreign Portfolio Investors purpose to avail the benefit of Double Taxation Avoidance Agreement between India and the country of your tax residence, you are requested to submit the following forms or documents:

- Copy of PAN card, if any, allotted by Indian Income Tax Authorities duly self-attested by Yourself/Authorized Signatory. In case of non-availability of PAN, information under Rule 37BC
- Copy of Tax Residency Certificate [TRC] for the FY 2025-26 obtained from the revenue authorities of country of tax residence duly attested by Yourself/Authorized Signatory
- Self Declaration in Form 10-F
- No-PE [permanent establishment] certificate
- Self Declaration of beneficial ownership by the non-resident shareholder
- Lower withholding Tax certificate, if any, obtained from the Indian Tax Authorities

The members/shareholders are required to provide above documents/declarations by sending an E-mail to [rnt.helpdesk@in.mpms.mufg.com](mailto:rnt.helpdesk@in.mpms.mufg.com) on or before Friday, 11<sup>th</sup> day of July 2025. The aforesaid documents are subject to verification by the Company and in case of ambiguity, the Company reserves its right to deduct the TDS as per the rates mentioned in the Income Tax Act, 1961.

In case of Foreign Institutional Investors/Foreign Portfolio Investors tax will be deducted under Section 196D of the Income Tax Act @20% plus applicable Surcharge and Cess.

29. Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 directs listed companies to send soft copies of the annual report to those shareholders who have registered their e-mail addresses. Sections 101 and 136 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Companies (Accounts) Rules, 2014 permit prescribed companies to send a notice and financial statements through electronic mode. In view of the same, shareholders are requested to update their e-mail IDs with their Depository Participants where

shares are held in dematerialised mode and where the shares are held in physical form to update the same in the records of the Company in order to facilitate electronic servicing of annual reports and other documents.

30. All documents referred to in the accompanying Notice and Statement annexed thereto shall be open for inspection at the Registered Office of the Company during normal business hours on all working day till the date of the Annual General Meeting.
31. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at [investors@sobha.com](mailto:investors@sobha.com) from Thursday, 17<sup>th</sup> day of July, 2025 (9:00 a.m. IST) to Tuesday, 22<sup>nd</sup> day of July, 2025 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
32. **The details of the process and manner for remote e-voting are explained below:**

**Login method for Individual shareholders holding securities in demat mode is given below:**

**Individual Shareholders holding securities in demat mode with NSDL:**

**METHOD 1 - If registered with NSDL IDeAS facility:**

**Users who have registered for NSDL IDeAS facility:**

- a) Visit URL: <https://eservices.nsd.com> and click on "Beneficial Owner" icon under "Login".
- b) Enter User ID and Password. Click on "Login"
- c) After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services.
- d) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

**OR**

**User not registered for NSDL IDeAS facility:**

- a) To register, visit URL: <https://eservices.nsd.com> and select "Register Online for IDeAS Portal" or click on <https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp>.
- b) Proceed with updating the required fields.
- c) Post successful registration, user will be provided with Login ID and password.
- d) After successful login, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services.
- e) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

**METHOD 2 - Individual Shareholders directly visiting the e-voting website of NSDL:**

- a) Visit URL: <https://www.evoting.nsd.com>.
- b) Click on the "Login" tab available under 'Shareholder/Member' section.
- c) Enter User ID (i.e., your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.
- d) Post successful authentication, you will be redirected to NSDL depository website wherein you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services".
- e) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

**Individual Shareholders holding securities in demat mode with CDSL:**

**METHOD 1 – Individual Shareholders registered with CDSL Easi/Easiest facility**

**Shareholders who have registered/opted for CDSL Easi/Easiest facility:**

- a) Visit URL: <https://web.cdslindia.com/myeasitoken/Home/Login> or [www.cdslindia.com](http://www.cdslindia.com).
- b) Click on New System Myeasi Tab.
- c) Login with existing my easi username and password
- d) After successful login, user will be able to see e-voting options. The evoting option will have links of e-voting service providers i.e., MUFG InTime, for voting during the remote e-voting period.
- e) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period

**OR**

**Shareholders who have not registered for CDSL Easi/Easiest facility:**

- a) To register, visit URL: <https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration> or <https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration>.
- b) Proceed with updating the required fields.
- c) Post registration, user will be provided username and password.
- d) After successful login, user able to see e-voting menu.
- e) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

**METHOD 2 - Individual Shareholders directly visiting the e-voting website of CDSL:**

- (a) Visit URL: <https://www.cdslindia.com/>.
- (b) Go to e-voting tab.
- (c) Enter Demat Account Number (BO ID) and PAN No. and click on "Submit".
- (d) System will authenticate the user by sending OTP on registered Mobile and Email as recorded in Demat Account.

- (e) After successful authentication, click on “MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

**Individual Shareholders holding securities in demat mode with Depository Participant:**

Individual shareholders can also login using the login credentials of your demat account through your depository participant registered with NSDL/CDSL for e-voting facility.

- a) Login to DP website.
- b) After Successful login, user shall navigate through “e-voting” option.
- c) Click on e-voting option, user will be redirected to NSDL/CDSL Depository website after successful authentication, wherein user can see e-voting feature.
- d) After successful authentication, click on “MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

**Login method for Individual shareholders holding securities in physical form/Non-Individual Shareholders holding securities in demat mode is given below:**

Shareholders holding shares in physical mode/Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for InstaVote as under:

- 1. Visit URL: <https://instavote.linkintime.co.in>

**Shareholders who have not registered for INSTAVOTE facility:**

- 2. Click on “Sign Up” under ‘SHARE HOLDER’ tab and register with your following details:

**A. User ID:**

NSDL demat account – User ID is 8 Character DP ID followed by 8 Digit Client ID.

CDSL demat account – User ID is 16 Digit Beneficiary ID.

Shareholders holding shares in physical form – User ID is Event No + Folio Number registered with the Company.

- B. PAN:** Enter your 10-digit Permanent Account Number (PAN).

(Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.)

- C. DOB/DOI:** Enter the Date of Birth (DOB)/ Date of Incorporation (DOI) (As recorded with your DP/Company - in DD/MM/YYYY format)

- D. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

*\*Shareholders holding shares in NSDL form, shall provide ‘D’ above*

*\*\*Shareholders holding shares in physical form but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above*

- > Set the password of your choice

(The password should contain a minimum of 8 characters, at least one special Character (!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter).

- > Enter Image Verification (CAPTCHA) Code.

- > Click “Submit” (You have now registered on InstaVote).

**Shareholders who have registered for INSTAVOTE facility:**

- 3. Click on ‘Login’ under ‘SHARE HOLDER’ tab.
  - (a) User ID: Enter your User ID.
  - (b) Password: Enter your Password.
  - (c) Enter Image Verification (CAPTCHA) Code.
  - (d) Click “Submit”.

**Cast your vote electronically:**

- 1. After successful login, you will be able to see the notification for e-voting.
- 2. Select ‘View’ icon.
- 3. E-voting page will appear.

4. Refer the Resolution description and cast your vote by selecting your desired option '**Favour/ Against**' (If you wish to view the entire Resolution details, click on the '**View Resolution**' file link).
5. After selecting the desired option i.e. Favour/ Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

**Guidelines for Institutional shareholders ("Corporate Body/Custodian/Mutual Fund"):**

**STEP 1 – Custodian/Corporate Body/Mutual Fund Registration**

- a) Visit URL: <https://instavote.linkintime.co.in>.
- b) Click on Sign up under "Corporate Body/Custodian/Mutual Fund".
- c) Fill up your entity details and submit the form.
- d) A declaration form and organization ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up). The said form is to be signed by the Authorised Signatory, Director, Company Secretary of the entity & stamped and sent to [insta.vote@linkintime.co.in](mailto:insta.vote@linkintime.co.in).
- e) Thereafter, Login credentials (User ID; Organisation ID; Password) will be sent to Primary contact person's email ID. (You have now registered on InstaVote).

**STEP 2 – Investor Mapping**

- a) Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- b) Click on "Investor Mapping" tab under the Menu Section
- c) Map the Investor with the following details:
  - A. 'Investor ID':**
    - (i) NSDL demat account – User ID is 8 Character DP ID followed by 8 Digit Client ID i.e., IN00000012345678
    - (ii) CDSL demat account – User ID is 16 Digit Beneficiary ID.
  - B. 'Investor's Name':** Enter Investor's Name as updated with DP.

**C. 'Investor PAN':** Enter your 10-digit PAN.

- d) Power of Attorney' - Attach Board resolution or Power of Attorney.  
  
\*File Name for the Board resolution/Power of Attorney shall be – DP ID and Client ID or 16 Digit Beneficiary ID. Further, Custodians and Mutual Funds shall also upload specimen signatures.
- e) Click on Submit button. (The investor is now mapped with the Custodian/Corporate Body/Mutual Fund Entity). The same can be viewed under the "Report Section".

**STEP 3 – Voting through remote e-voting.**

The corporate shareholder can vote by two methods, during the remote e-voting period

**METHOD 1 - VOTES ENTRY**

- a) Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- b) Click on "Votes Entry" tab under the Menu section.
- c) Enter the "Event No." for which you want to cast vote.  
  
Event No. can be viewed on the home page of InstaVote under "On-going Events".
- d) Enter "16-digit Demat Account No." for which you want to cast vote.
- e) Refer the Resolution description and cast your vote by selecting your desired option 'Favour/ Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
- f) After selecting the desired option i.e. Favour/ Against, click on 'Submit'.

A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

**OR**

**VOTES UPLOAD:**

- a) Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.

- b) After successful login, you will be able to see the "Notification for e-voting".
- c) Select "View" icon for "Company's Name/Event number".
- d) E-voting page will appear.
- e) Download sample vote file from "Download Sample Vote File" tab.
- f) Cast your vote by selecting your desired option 'Favour/Against' in the sample vote file and upload the same under "Upload Vote File" option.
- g) Click on 'Submit'. 'Data uploaded successfully' message will be displayed.
- (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

**Helpdesk:**

**Shareholders holding securities in physical mode/ Non-Individual Shareholders holding securities in demat mode:**

Shareholders holding securities in physical mode/ Non-Individual Shareholders holding securities in demat mode facing any technical issue in login may contact INSTAVOTE helpdesk by sending a request at [enotices@in.mpms.mufg.com](mailto:enotices@in.mpms.mufg.com) or contact on: - Tel: 022 – 4918 6000.

**Individual Shareholders holding securities in demat mode:**

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at: 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cDSLindia.com">helpdesk.evoting@cDSLindia.com</a> or contact at toll free no. 1800 22 55 33

**Forgot Password:**

**Shareholders holding securities in physical mode/Non-Individual Shareholders holding securities in demat mode:**

Shareholders holding securities in physical mode/Non-Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on: <https://instavote.linkintime.co.in>.

- Click on "Login" under 'SHARE HOLDER' tab.
- Click "forgot password?"
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA).
- Click on "SUBMIT".

*In case shareholders have a valid email address, Password will be sent to his/her registered e-mail address. Shareholders can set the password of his/her choice by providing information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. The password should contain*

*a minimum of 8 characters, at least one special character (!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.*

**User ID:**

*NSDL demat account – User ID is 8 Character DP ID followed by 8 Digit Client ID.*

*CDSL demat account – User ID is 16 Digit Beneficiary ID.*

*Shareholders holding shares in physical form – User ID is Event No + Folio Number registered with the Company.*

In case Custodian/Corporate Body/Mutual Fund has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on: <https://instavote.linkintime.co.in>.

- Click on 'Login' under "Custodian/Corporate Body/ Mutual Fund" tab
- Click "forgot password?"
- Enter User ID, Organization ID and Enter Image Verification code (CAPTCHA).
- Click on "SUBMIT".

In case shareholders have a valid email address, Password will be sent to his/her registered e-mail address. Shareholders can set the password of his/her choice by providing information about the particulars of the Security Question and Answer, PAN, DOB/DOI etc. The password should contain a minimum of 8 characters, at least one special character (!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.

**Institutional shareholders ("Corporate Body/Custodian/Mutual Fund") has forgotten the password:**

If a Non-Individual Shareholders holding securities in demat mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>.

- Click on '**Login**' under '**Corporate Body/Custodian/Mutual Fund**' tab and further Click 'forgot password?'
- Enter User ID, Organization ID and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

*In case shareholders is having valid email address, Password will be sent to his/her registered e-mail address. Shareholders can set the password of his/her choice*

*by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain a minimum of 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.*

**Individual Shareholders holding securities in demat mode with NSDL/CDSL has forgotten the password:**

Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both, then the Shareholders are advised to use Forget User ID and Forget Password option available at above mentioned depository/depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/members can login any number of time till they have voted on the resolution(s) for a particular "Event".

# Explanatory Statement

[Pursuant to Provisions of Section 102(1) of the Companies Act, 2013]

## ITEM NO. 4

Pursuant to the latest amendments under Regulations 24A (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Every listed entity and its material unlisted subsidiaries incorporated in India shall undertake Secretarial Audit by a Secretarial Auditor who shall be a Peer Reviewed Company Secretary. Further, an individual may be appointed as a Secretarial Auditor for a term of five years, while a firm may be appointed for a maximum of two terms of five years each, subject to shareholder approval at the Annual General Meeting.

Accordingly, consent of the members is sought for appointment of Nagendra D Rao & Associates LLP' as the Secretarial Auditors for a term of five years.

On the recommendation of the Audit Committee, the Board of directors of the Company at its meeting held on May 29, 2025, appointed Nagendra D Rao & Associates LLP, Company Secretaries, (Firm Registration no AAK – 4698 Peer review certificate no 5827/2024) as the Secretarial Auditors of the Company for a term of five (5) consecutive years, commencing from FY 2025-26 until FY 2029-30, subject to approval by the Shareholders at the ensuing AGM.

Nagendra D Rao & Associates LLP, Company Secretaries have given their consent to the said appointment and confirmed their eligibility for the appointment and confirmed that they are not disqualified from being appointed as a Secretarial Auditor under Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The details required to be disclosed under provisions of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under:

- A. Proposed fees payable to the statutory auditor(s):** ₹ 4.00 Lakh annually plus applicable taxes and reimbursement of travelling and other out-of-pocket expenses actually incurred by them in connection with the Secretarial audit of the Company, which is subject to revision from time to time.
- B. Terms of appointment:** Appointment as Secretarial Auditors of the Company commencing from FY 2025-26 until FY 2029-30 to carry out Secretarial Audit of the Company. All other terms of appointment shall be as per Letter of Engagement.

**C.** In case of a new Secretarial auditor, any material change in the fees payable to such auditor from that paid to the outgoing Secretarial auditor along with the rationale for such change: NA

**D. Basis of recommendation for appointment:** The Audit Committee and Board of Directors have considered various criteria with respect to skillset, governance & competitiveness and recommended their appointment to the Shareholders of the Company.

**E.** Nagendra D Rao & Associates LLP' ("LLP") is a LLP set up in the year 2017 and is registered as a Practicing Company Secretaries Firm with the Institute of Company Secretaries of India and with the Registrar of Companies, Karnataka. The LLP is promoted by seasoned professionals and is managed with the highest degree of professionalism with diversified and extensive experience in related areas. The LLP has enormous knowledge and experience in dealing with the matters relating to Company Law, Securities Law, FEMA, RBI Regulations, Due Diligence, Listing and SEBI Regulations. They have clients across India providing Corporate Law Services, Due Diligence and Secretarial Audit Services.

None of the Directors or Key Managerial Personnel or their relatives are in any way interested or concerned, financially or otherwise in this Resolution except to the extent of their shareholding in the Company.

The Board of Directors recommends the **Ordinary Resolution** set out in Item No. 4 for approval by the Members.

## ITEM NO. 5

In terms of Section 148 of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014 as may be amended from time to time, the Company is required to get its cost records audited.

The Board of Directors, based on the recommendation of the Audit Committee, have appointed M/s. Gudi Srinivasarao and Co., Cost Accountants (Firm Registration No: 0004336) as the Cost Auditors of the Company for the financial year 2024-25. Further, the Board of Directors, on the recommendations of the Audit Committee, have approved the payment of remuneration not exceeding ₹ 2,30,000 (Rupees Two lakh and thirty thousand only) plus out of pocket expenses and taxes as may be applicable

from time to time to the Cost Auditors for undertaking the cost audit of the Company for the financial year 2024-25.

In terms of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2025.

None of the other Directors or Key Managerial Personnel or their relatives are in any way interested or concerned, financially or otherwise in this Resolution except to the extent of their shareholding in the Company.

The Board of Directors recommends the **Ordinary Resolution** set out in Item No. 5 for approval by the Members.

**ITEM NO. 6: ISSUE OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS:**

The Board of Directors had at its Meeting held on May 29, 2025, proposed to seek approval of the Members to raise or borrow funds by way of issuance of Unsecured Non-Convertible Debentures (NCDs)/Bonds/Other Instruments, listed and/or unlisted, on private placement basis for an amount not exceeding ₹ 1,000 Crore (Rupees One Thousand Crore) during 1 (One) year from the date of passing of the Special Resolution set out at Item No. 6 at an interest rate that will be determined by the prevailing money market conditions at the time of the borrowing. The issue of these securities like NCDs/Bonds/Other Instruments work as a cost-effective source of borrowings. Your Company for its business purposes, investments in body corporate(s), repayment/pre-payment of certain loans and for general corporate purposes, proposes to borrow or raise funds by issue of NCDs/Bonds/Other Instruments on a private placement basis.

The Company in order to execute various projects, both residential and contractual, has to borrow money from banks and other financial institutions as a means of finance. The Company has currently availed project-specific or general-purpose borrowings from various banks and financial institutions to finance the execution of the projects of the Company.

The Board of Directors envisages a continued need for the funding requirements of the Company to be met through various components, i.e. equity, project loans, general purpose corporate loans, borrowings from financial institutions, debentures etc. A mix of these instruments will result in optimum utilisation of funds at an optimum cost and help meet the various business requirements of the Company. The Board is therefore, contemplating the feasibility of borrowing money through further issue of Non-Convertible Debentures.

In terms of Rule 14 of The Companies (Prospectus and Allotment of Securities) Rules, 2014, the issue of Non-Convertible Debentures on a private placement basis requires previous approval of the members of the Company by way of a Special Resolution and such an approval shall be valid for all the offers or invitation for such Debentures during the year.

Accordingly, approval of the members is being sought to enable the Board of Directors to offer or invite subscriptions for non-convertible debentures aggregating up to ₹ 1000,00,00,000 (Rupees Thousand crores only) as may be required and such approval shall be valid for a year.

None of the Directors or the Key Managerial Personnel or their relatives are in any way interested or concerned, financially or otherwise, in this Resolution except to the extent of their shareholding in the Company.

The Board recommends the **Special Resolution** set-out in Item 6 of the Notice for approval by the members.

**Additional Information on Directors seeking Re-appointment (Item No 3) at the Annual General Meeting Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 and Secretarial Standards on General Meetings:**

Name of Director	Mr. Jagadish Nangineni
Age	46 Years
Date of First Appointment	April 01, 2022
Qualifications	B. TECH- IIT (Bombay) MBA- IIM (Calcutta)
No. of Board Meetings attended during the financial year 2024-2025	5
Experience	23 years and in the Company 16 years of experience

Expertise in specific functional areas	He is entrusted with the overall responsibility of managing the affairs of the company and achieving the targets of the Company. He plays an instrumental role in leading the growth of the Company in all operational businesses and related functions.
Details of remuneration	Remuneration paid and payable is in accordance with the approval of shareholders granted vide resolution passed through Postal Ballot on June 09, 2022. The remuneration paid for the financial year 2024-25 is disclosed in the Corporate Governance Report that forms part of the Annual Report.
Directorship and membership of Committees of the Board held in other listed companies along with listed entities from which the person has resigned in the past three years	None
Directorships held in other public limited Companies	Sobha Assets Private Limited, Sobha Highrise Ventures Private Limited Sobha Developers (Pune) Limited (Subsidiaries of Sobha Limited, a public Company)
Relationship with other Directors and Key Managerial Personnel	None
Number of shares held as on March 31, 2025, including shareholding as a beneficial owner.	1,305 Equity shares of ₹ 10 each.
Terms and conditions of appointment	The terms and conditions of appointment shall be in accordance with the approval granted by the shareholders through the postal ballot dated 9 <sup>th</sup> June 2022.

### Key Details of 30<sup>th</sup> Annual General Meeting at a Glance

Sr. No.	Particulars	Details
1	Day, date and time of AGM	Thursday, July 24, 2025, at 03.00 p.m. (IST)  (Deemed Venue for Meeting: Registered Office: <b>"SOBHA", Sarjapur-Marathahalli Outer Ring Road Bellandur Post, Bengaluru – 560103</b> )
2	Mode of AGM	Through Video Conferencing/Other Audio-Visual Means (VC/OAVM)
3	Participation through VC/OAVM	The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting by following the procedure mentioned in the Notice
4	Technical Assistance for VC Participation	contact MUFG INSTAVOTE helpdesk by sending a request at <a href="mailto:instameet@in.mpms.mufg.com">instameet@in.mpms.mufg.com</a> or contact on: - Tel: 022 – 4918 6000/4918 6175.
5	Submission of Questions/Queries before AGM	Questions regarding financial statements or any other matter to be placed at the 30 <sup>th</sup> AGM can be submitted from registered email address to <a href="mailto:investors@sobha.com">investors@sobha.com</a> on or before 5.00 p.m. (IST) on July 22, 2025.
6	Speaker Pre-Registration	On or before 5.00 p.m. (IST) on July 22, 2025  Members may register themselves as a speaker by sending a request mentioning their name, demat account number/folio number, email id, mobile number at <a href="mailto:investors@sobha.com">investors@sobha.com</a>

<b>Sr. No.</b>	<b>Particulars</b>	<b>Details</b>
7	Dividend details	<p><b>Rate:</b> ₹ 3.00 per equity share of face value of ₹ 10 each</p> <p><b>Record date:</b> July 11, 2025</p> <p><b>Book closure dates:</b> July 11, 2025</p> <p><b>Payment date:</b> within 30 days from 24<sup>th</sup> July, 2025</p>
8	TDS on Dividend and Submission of Forms	<p>Submit forms by 11<sup>th</sup> July 2025 before 5.00 p.m. (IST).</p> <p>The detailed process is available on the website of the Company at <a href="https://www.sobha.com/">https://www.sobha.com/</a> 'Communication on Tax Deduction on Dividend.</p>
9	EVENT of the Company	250288 (for Fully paid), 250289 (for Partly paid)
10	Cut-off date for remote e-voting period	July 17, 2025
11	Remote e-voting period	From 9.00 a.m. (IST) on July 21, 2025, and ends at 5.00 p.m. (IST) on July 23, 2025
12	Registration of email address to receive Credentials for remote e-voting and Notice of 29 <sup>th</sup> AGM	Members whose email addresses are not registered and wish to receive the credentials for remote e-voting along with the Notice of the 30 <sup>th</sup> AGM and Annual Report 2024-25 can get their email addresses registered with DP/RTA. Alternatively, member may send an e-mail request to <a href="mailto:rnt.helpdesk@in.mpms.muvg.com">rnt.helpdesk@in.mpms.muvg.com</a> for obtaining User ID and Password.

## GLOSSARY

ADR	American Depository Receipts	JD/JV	Joint Development/Joint Venture
BBS	Bar Bending Schedule	KMP	Key Managerial Personnel
BSE	BSE Limited	LED	Light-emitting diode
CAGR	Compounded Annual Growth Rate	Listing Regulations	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
CDSL	Central Depository Services (India) Limited	MCA	Ministry of Corporate Affairs, New Delhi
CEO	Chief Executive Officer	MD&A	Management Discussion & Analysis
CFO	Chief Financial Officer	MEP	Mechanical, Electrical and Plumbing
CIN	Corporate Identification Number	NCR	National Capital Region
CPD	Concretes Product Division	NEAPS	NSE Electronic Application Processing System
CREDAI	Confederation of Real Estate Developers Association of India	NECS	National Electronic Clearing System
CRM	Customer Relationship Management	NEFT	National Electronic Fund Transfer
CSR	Corporate Social Responsibility	NRI	Non Resident Indian
Demat	Dematerialised Account	NSDL	National Securities Depository Limited
DG	Diesel Generator	NSE	National Stock Exchange of India Limited
DIN	Director Identification Number	OHSAS	Occupational Health Safety Assessment Series
EBITDA	Earnings before Interest, Depreciation and Amortisation	PAT	Profit after Tax
ECS	Electronic Clearing System	PBDIT	Profit before Depreciation, Interest and Tax
EHS	Environment, Health & Safety	PBIT	Profit before Interest and Tax
EPS	Earnings Per Share	PBT	Profit before Tax
ERP	Enterprise Resource Planning	PV Cells	Photovoltaic Cells
EVEN	E-Voting Event Number	QST	Quality, Safety and Technology
FII	Foreign Institutional Investors	R&D	Research and Development
FSI	Floor Space Index	R&T Agents	Registrar and Share Transfer Agents
GDP	Gross Domestic Product	RBI	Reserve Bank of India
GDR	Global Depository Receipts	RERA	Real Estate (Regulation and Development) Act, 2016
HUF	Hindu Undivided Family	ROCE	Return on Capital Employed
HVAC	Heating, Ventilating and Air Conditioning	ROE	Return on Equity
ICRA	ICRA Limited [Formerly Investment Information and Credit Rating Agency of India Limited]	RTGS	Real Time Gross Settlement
IEPF	Investor Education and Protection Fund	SBA	Super Built-up Area
IPO	Initial Public Offer	SCORES	SEBI Complaint Redress System
ISIN	International Securities Identification Number	SEBI	Securities and Exchange Board of India
ISO	International Organization for Standardization	VFD	Variable Frequency Drive
IT/ITES	Information Technology/Information Technology Enabled Services	WTD	Whole-time Director
		Y-O-Y	Year-on-Year

# FISCAL 2025 HIGHLIGHTS

## Q1 FY 2024-25

- Revenues of ₹6,699 million with a PBT of ₹111 million and PAT of ₹61 million.
- Collections of ₹15,461 million, Highest ever quarterly collection
- Average cost of debt as end of Q1 FY 2024-25 stood at 9.40%.
- Sold 1.18 million square feet of area total valued at ₹18,737 million (Sobha Share value of ₹13,576 million).
- Completed 0.92 million square feet of Real Estate projects and 1.43 million square feet of developable area during Q1 FY 2024-25 .
- Launched luxury project SOBHA Aranya at Gurgaon with total saleable area of 1,927,458 square feet
- Launched another luxury project SOBHA Altus at Gurgaon with total saleable area of 808,235 square feet
- Launched a plotted development project SOBHA Conserve in Chennai with total saleable area of 189,667 square feet
- Launched another plotted development for the quarter, SOBHA Mountain Mist in Coimbatore with saleable area of 118,373

## Q2 FY 2024-25

- Revenues of ₹9,653 million with a PBT of ₹362 million and PAT of ₹261 million.
- Net debt equity ratio dropped to 0.08 post collection of 1<sup>st</sup> Tranche from Rights Issue process
- Collections of ₹13,751 million.
- Average cost of debt as end of Q2 FY 2024-25 stood at 9.40%.
- Sold 0.93 million square feet of area, total valued at ₹11,785 million (Sobha Share of ₹9,828 million).
- Completed 0.87 million square feet of Real Estate projects and 1.36 million square feet of developable area during Q2 FY 2024-25 .
- Launched one project in Bangalore SOBHA Infinia total saleable area of 477,003 square feet

## Q3 FY 2024-25

- Revenues of ₹12,569 million with a PBT of ₹295 million and PAT of ₹217 million.
- Collections of ₹14,781 million.
- Average cost of debt as end of Q3 FY 2024-25 stood at 9.44%.
- Sold 1.02 million square feet of area, total valued at ₹13,886 million (Sobha Share of ₹12,499 million).
- Launched a new luxury project, part of SOBHA Dream acres, SOBHA Ayana in Bangalore with total residential SBA of 1,130,711 square feet.
- Completed 1.64 million square feet of Real Estate and 0.19 million square feet of contractual projects with total 1.83 million square feet of developable area during Q3 FY 2024-25 .

## Q4 FY 2024-25

- Revenues of ₹12,707 million with a PBT of ₹562 million and PAT of ₹409 million.
- Collections of ₹17,848 million.
- Average cost of debt as end of Q4 FY 2024-25 stood at 9.12%.
- Sold 1.56 million square feet of area total valued at ₹18,357 million (Sobha Share of ₹13,702 million).
- Net Debt equity ratio dropped to (0.14)
- Launched Luxury project, SOBHA Town Park – ( SOBHA Madisson Heights and SOBHA Hamptons) in Bangalore with total Residential SBA of 3,670,473square feet.
- Launched another plotted development project under DM module, Chartered Birdsong I Bangalore with total residential SBA of 441,582 square feet.
- Completed 1.11 million square feet of Real Estate projects, total 1.91 million square feet of developable area during Q4 FY 2024-25 .

### 3 YEARS FINANCIAL HIGHLIGHTS (CONSOLIDATED FINANCIALS)

Particulars	2024-25	2023-24	2022-23
<b>Financial Performance</b>			
Total Income	41,627.59	32,178.82	34,024.33
Profit before depreciation interest and tax (PBDIT)	4,183.93	3,979.58	4,618.36
Depreciation	898.25	782.21	678.37
Profit before interest and tax (PBIT)	3,285.68	3,197.37	3,939.99
Interest	1,955.67	2,455.06	2,490.24
Profit before tax (PBT)	1,330.01	742.32	1,449.75
Profit after tax (PAT)	946.86	491.13	1,042.05
Minority interest	-	-	-
PAT after minority interest	946.86	491.13	1,042.05
Dividend			
Equity (paid/proposed)	320.81	284.54	284.54
Rate of dividend	30%	30%	30%
<b>Financial position</b>			
Shareholder's funds	45,605.06	25,140.74	24,946.71
Borrowed fund	11,308.76	19,135.09	20,035.49
<b>Total</b>	<b>56,913.82</b>	<b>44,275.83</b>	<b>44,982.20</b>
Net fixed assets	9,879.87	9,291.44	8,822.41
Investments	1,146.20	1,149.33	1,149.38
Net current and non current assets	43,504.72	32,728.14	34,913.85
Deferred tax assets/ (liability)	2,383.03	1,106.92	96.56
<b>Total</b>	<b>56,913.82</b>	<b>44,275.83</b>	<b>44,982.20</b>
<b>Ratios</b>			
EBIDTA Margin	10%	12.37%	13.57%
Pre-Tax Margin	3%	2%	4%
Post Tax Margin	2%	2%	3%
Interest coverage ratio	1.68	1.30	1.58
Net debt to EBIDTA (times)	(1.51)	3.17	3.55
Fixed assets to turnover ratio	24%	29%	26%
Debtors turnover ratio (Net Debtors)	3.75	2.80	2.85
Debtors turnover ratio (Gross Debtors)	3.07	2.42	2.48
Return on Equity (ROE)	3%	2%	4%
Return on Capital Employed (ROCE)*	6%	7%	8%
Earnings per share(EPS)	9.28	5.18	10.99
Book Value	426.40	265.07	263.02
Debt/Equity Ratio	0.25	0.81	1.03
Price Earning Ratio	131.98	83.16	39.17
Price/book value	2.87	1.62	1.64

\*EBIT/Average capital employed

Figures are regrouped wherever necessary





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## SOBHA LIMITED

**Regd & Corporate Office:** SOBHA Limited, Sarjapur - Marathahalli, Outer Ring Road, Bellandur Post, Bengaluru - 560103, Karnataka, India.

**CIN:** L45201KA1995PLC018475 | **Tel:** +91 80 49320000 | **www.sobha.com** | **Email:** [investors@sobha.com](mailto:investors@sobha.com)